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Japan

Watanabe Expects U.S.-EC Dispute To End in Dec

OW2011025692 Tokyo KYODO in English 0248 GMT 20 Nov 92

[Text] Tokyo, Nov. 20 KYODO—The farm dispute between the United States and European Community (EC) will be settled before December 5, when U.S. punitive tariffs on EC exports are to become effective, Japan's trade minister said Friday.

International Trade and Industry Minister Kozo Watanabe expressed this view Friday at a press conference after a cabinet meeting.

The U.S. and EC top negotiators Thursday ended two days of talks in Washington on oilseed production without an agreement, but will continue negotiations at a later date, officials said.

The U.S.-EC agricultural trade dispute is a major stumbling block to the long-stalled Uruguay round of multilateral trade talks under the General Agreement on Tariffs and Trade (GATT) to liberalize world trade in goods and services.

Turning to the proposed "tariffication" of Japan's rice import barriers, Watanabe said the decision on that would be left to the four senior officials of the ruling Liberal Democratic Party or three executive party members concerned with agriculture.

He said he believes the final draft on the tariffication of all import barriers, proposed by GATT Director General Arthur Dunkel, will be amended once the U.S.-EC farm dispute is resolved.

Tokyo, U.S. Meet on Flag-of-Convenience Issue

OW2011135192 Tokyo KYODO in English 1207 GMT 20 Nov 92

[Text] Tokyo, Nov. 20 KYODO—Japan and the United States agreed Friday to join hands in working out an international treaty aimed at curbing fishing by flag-of-convenience vessels in the open seas, Japanese officials said.

The agreement came on the second day of a two-day meeting in Tokyo of fisheries experts from the two countries, the officials said.

They said the proposed treaty would be designed to protect fish resources in the open seas.

The agreement followed a decision, made at a Madrid meeting last week of the International Commission for Conservation of Atlantic Tunas (ICCAT), calling for identifying areas where bluefin tuna are caught to curb flag-of-convenience fishing.

Japanese fisheries agency officials said U.S. negotiators proposed that a new treaty be worked out to restrict fishing by flag-of-convenience vessels.

U.S. plans would prohibit fishing companies in the world from registering their boats in foreign countries to skirt international fishing restrictions and would prohibit governments from accepting flag-of-convenience registrations.

The plans would apply not only to tuna fishing boats but also to those after other species of fish, the Japanese officials said.

Chilean Leader Concerned Over Plutonium Shipment

OW2011133092 Tokyo KYODO in English 1039 GMT 20 Nov 92

[Text] Tokyo, Nov. 20 KYODO—Chilean President Patricio Aylwin said Friday he had voiced concern Wednesday during talks with Japanese Prime Minister Kiichi Miyazawa over Japan's plutonium shipment from France to Japan.

Aylwin told a press conference at the National Press Club that he had expressed the concern held by people in Chile over Japan's shipment of reprocessed plutonium.

He said the matter was also discussed in meetings between Japanese Foreign Minister Michio Watanabe and his Chilean counterpart Enrique Silva Cimma.

Miyazawa and Watanabe assured him that the transportation is safe but did not specify the route the ship Akatsuki Maru is taking on its way back to Japan, Aylwin said.

The Akatsuki Maru with a ton of reprocessed plutonium aboard left the French port of Cherbourg earlier this month escorted by a Japan Maritime Safety Agency vessel. Japan has not disclosed the route due to security reasons.

Top Foreign Ministry Spokesman Masamichi Hanabusa, however, denied at a news briefing that Miyazawa and Aylwin discussed the matter during "formal talks."

Hanabusa said they may have talked about it during a dinner hosted by Miyazawa.

Aylwin had earlier expressed concern about the possible route to be taken by the 4,800-ton Akatsuki Maru, saying it would pose an environmental danger to his country if it were to have an accident while sailing round Cape Horn, the southern tip of South America, into the Pacific Ocean.

Last Thursday, Aylwin told reporters in Malaysia he had discussed the issue with Malaysian Prime Minister Mahathir Mohamed and noted that Chile and Argentina have jointly expressed opposition to the ship entering their territorial waters.

Aylwin, 73, an elected civilian who succeeded military strongman Augusto Pinochet as president in March

1990, arrived in Japan on Tuesday for a five-day official visit, the first ever by a top Chilean leader.

Aylwin said he is satisfied with the outcome of his trip to Japan so far, saying his goal of strengthening bilateral relations and cooperation in political, economic and cultural fields has been met.

He said he has agreed in talks with Miyazawa and Watanabe on the importance of Japan's active role in the international community, and added that he expressed Chile's desire for membership in the Asia-Pacific Economic Cooperation (APEC) forum, a 15-member consultative group with its secretariat to be situated in Singapore.

Turning to the North American Free Trade Agreement (NAFTA) formed by the United States, Canada and Mexico, Alywin said the move is not aimed at forming a closed trading bloc.

He said Chile is determined to see free and open trade among countries prevail based on the spirit of General Agreement on Tariffs and Trade (GATT).

Chile, which maintains a free trade pact with Mexico, is reported to be the next country in line to join the grouping.

Aylwin canceled a planned trip to the ancient capital of Kyoto due to a shutdown of Shinkansen bullet train services, said officials in Kyoto.

His Kyoto itinerary had called for a Friday evening reception hosted jointly by the Kyoto Prefectural government, the city of Kyoto and other organizations, and visits on Saturday to the golden pavillion, Kiyomizu temple and other sightseeing spots before his departure for home through Osaka international airport.

The Shinkansen shutdown resulted from a power failure due to bad weather.

German Minister Moellemann Continues Visit

Seeks Uruguay Round Cooperation

OW1911133492 Tokyo KYODO in English 1311 GMT 19 Nov 92

[Text] Tokyo, Nov. 19 (KYODO)—Visiting German Economics Minister Juergen Moellemann on Thursday called for Japan's cooperation in bringing the long-stalled Uruguay Round of multilateral trade talks to a successful conclusion, officials of the Ministry of International Trade and Industry (MITI) said.

During a 45-minute meeting with MITI Minister Kozo Watanabe, Moellemann suggested Japan should cooperate in wrapping up the global trade talks under the General Agreement on Tariffs and Trade (GATT) once the United States and the European Community (EC) settle their farm dispute, the officials said.

Moellemann expressed hopes that the ongoing EC-U.S. negotiations in Washington would be conclusive, explaining that the 12-nation community sent two negotiators to Washington for the final discussion despite some objections, they said.

EC Commissioner or External Relations Frans Andriessen and Agriculture Commissioner Ray MacSharry flew to Washington to meet with U.S. Trade Representative Carla Hills and Agriculture Secretary Edward Madigan on Wednesday and Thursday over the oilseed dispute.

The MITI officials quoted Moellemann as saying it is time to act because the talks were over.

The German minister maintained that considering the current sluggish world economic situation and the growing specter of a trade war, both the U.S. and the EC should make concessions, they said.

Moellemann proposed to drink California wine if the EC-U.S. talks end successfully, hinting that the EC would impose retaliatory tariffs on U.S. wine if the U.S. slaps punitive duties on white wine and other EC exports upon the collapse of bilateral negotiations, the officials said.

Moellemann stressed the need to prevent the GATT talks becoming a "general agreement on talking and talking," they said.

Watanabe said at the Munich summit meeting of the Group of Seven (G-7) Industrialized Nations in July that they should not discuss the round any more at the next summit meeting in Tokyo, they said.

They quoted Watanabe as saying that the authority of the G-7 nations might decay if the same issue comes up on the agenda of the Tokyo summit next year.

Meanwhile, Moellemann asked for MITI's support for a German project to set up a center to help small- and medium-sized German companies enter the Japanese market, they said.

Watanabe promised as much assistance as possible, responding that he would instruct the MITI divisions concerned to proceed with discussion with their German counterparts they said.

Addresses Forum on Ties 20 Nov

OW2011035192 Tokyo KYODO in English 0337 GMT 20 Nov 92

[Text] Tokyo, Nov. 20 KYODO—German Economics Minister Juergen Moellemann and Japanese International Trade and Industry Minister Kozo Watanabe both called Friday for closer bilateral cooperation in various fields.

Addressing a forum on the "German-Japan relationship as global partners," both ministers said their countries should join forces in recovering the world economy and sustainable growth.

They also called for a quick conclusion of world trade talks, resolution of global environmental problems, and support of economic reforms in the former Soviet Union and eastern Europe.

Moellemann welcomed Tokyo's efforts to boost domestic demand by launching a 10.7 trillion yen economic package in August as "aiming in the right direction."

He said Germany's financial policy would focus on reducing the high national debt accumulated in the aftermath of German unification for reconstructing the former East German economy.

Watanabe called on "German leadership within the European Community (EC)" to realize an early settlement of the EC-U.S. dispute on agricultural export subsidies.

The dispute is a major stumbling block for a successful conclusion of the long-stalled Uruguay round of global trade talks under the General Agreement on Tariffs and Trade (GATT).

He said Japan has shown its readiness to make concessions by proposing to cut the average tariff rate for mining and manufacturing goods to 1.9 percent, and eliminating duties on some 1,000 items.

But Moellemann urged Japan to further open its market, especially for financial services and telecommunications.

"I consider as a proper, active contribution (to GATT), Japan opening its rice market and eliminating its high tariffs for chemical products, copper, leather and shoes," he said.

Watanabe noted the need for development and transfer of technology to developing nations to enable them to tackle environmental problems, and Moellemann named the so-called greenhouse effect as the major challenge.

Moellemann said Germany would fight within the EC for a tax on carbon dioxide emissions, considered one of the causes for global warming, and called on Japan and the United States to introduce similar measures.

Watanabe acknowledged Japanese investment in eastern Europe and the former Soviet Union "is extremely limited at present" and said partnerships between German and Japanese companies were "a possible way to make up for this weakness."

Moellemann called on Tokyo to host a follow-up to a conference for providing advice on microeconomic reform in formerly communist countries, which was held in Munster, Germany, in May.

"At that conference, we should also consider if we could make substantial concessions in trade with these states," he said.

Watanabe called the German center suggested by Moellemann on Thursday for helping small and medium-sized German enterprises set up business in Japan "an excellent proposal," and said Tokyo would provide as much support as possible.

The Tokyo forum, which will also discuss investment in eastern Germany in the afternoon, follows a similar event held in Stuttgart, Germany, in March.

Says No Change in China Policy

OW2011131492 Tokyo KYODO in English 1142 GMT 20 Nov 92

[Text] Tokyo, Nov. 20 KYODO—German Economics Minister Juergen Moellemann said here Friday that his visit to Taiwan at the beginning of this week, the first official one by a German minister, did not mean a change in Germany's one-China policy.

"We follow the 'one-China policy,' and I have told the Taiwanese Government we won't change that," he said at a press conference concluding a two-day visit to Japan.

He said the visit was aimed at promoting bilateral economic relations and that economic contacts should be intensified in the future.

Germany maintains diplomatic relations with Beijing, which insists it is the only legitimate government of all China, and German politicians have so far avoided paying official visits to Taipei.

A spokeswoman for the economics minister said that Beijing had not voiced any objections to Moellemann's Taiwan visit.

Speaking of Japanese-German economic relations, Moellemann said the forum held Friday in Tokyo should demonstrate that Germany wants cooperation and not confrontation in its economic ties with Japan.

He said the forum also focused on how to increase Japanese investment in the former East Germany.

Moellemann said he hoped Tokyo would host a follow-up to the May conference of industrialized nations and reform states of the former communist sphere held in Munster, Germany, but admitted that Tokyo has not yet responded to the request.

Moellemann arrived here Wednesday evening from Taiwan and met with Prime Minister Kiichi Miyazawa, Foreign Minister Michio Watanabe, Finance Minister Tsutomu Hata, and International Trade and Industry Minister Kozo Watanabe on Thursday.

Parties Agree on Summoning Witnesses to Diet

OW2011044592 Tokyo KYODO in English 0433 GMT 20 Nov 92

[Text] Tokyo, Nov. 20 KYODO—Ruling and opposition parties agreed Friday on the summoning of witnesses to the Diet over the Tokyo Sagawa Kyubin money scandal, returning the stalled parliament to normal in the afternoon to discuss a supplementary budget.

Secretaries general of the Liberal Democratic Party (LDP) and three opposition parties agreed that Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin Co., be summoned to the Diet to testify under oath, officials of the parties said.

They had reached agreement late Thursday night on the summoning of former Prime Minister Noboru Takeshita to the Diet as a sworn witness to clarify his alleged implication in the scandal.

Shin Kanemaru, former LDP vice president who resigned in disgrace in mid-October from the House of Representatives for his 1990 illegal receipt of a 500 million yen donation from Watanabe, will be also questioned under oath in hospital, according to the officials.

Kanemaru entered Odawara Municipal Hospital on Monday and underwent eye surgery Tuesday. He will stay there for two or three weeks, according to doctors.

LDP Secretary General Tamisuke Watanuki will go to the hospital Friday afternoon and arrange procedures for the questioning, an LDP official said.

Kanemaru allegedly asked Susumu Ishii, the late leader of Inagawa-kai crime syndicate, in 1987 through Watanabe to help stop a rightist group's harassment of Takeshita, then vying for the LDP presidency.

North Korea

U.S. 'Electronic Warfare Exercise' Reported

SK2011044992 Pyongyang KCNA in English 0405 GMT 20 Nov 92

[Text] Pyongyang November 20 (KCNA)—The U.S. forces staged an electronic warfare exercise on November 18 by sending an electronic warfare helicopter to the air above an area near the Military Demarcation Line [MDL] in the western sector of the front, according to military sources.

The South Korean puppets staged a helicopter exercise in areas adjacent to the demilitarized zone along the MDL that day, firing some 200 shells of large-calibre guns and tank guns.

On the same day, units of the puppet army held a drill of dropping combat material to "commandoes" infiltrated to areas of the North side in the "event of contingency".

U.S., ROK Held 'Joint Air Strike Exercises'

SK1911053892 Pyongyang KCNA in English 0413 GMT 19 Nov 92

[Text] Pyongyang November 19 (KCNA)—The U.S. imperialist aggressors and the South Korean puppets staged large-scale joint air strike exercises against the DPRK on November 16 and 17 with the mobilization of fighter-bombers, assault planes, E-3 early warning planes, tanker planes and other types of warplanes, more than 350 in all, according to military sources.

The U.S. imperialists committed aerial espionage on the DPRK within the framework of these exercises.

On the 16th and 17th, they committed an intensive espionage on the forward and inland areas of the DPRK with the mobilization of RF-4C and other army tactical reconnaissance planes.

The U.S. imperialists and the South Korean puppets also staged an aerial military exercise for seizing the command of the air under various circumstances and weather and a drill for supporting infantry units.

The warplanes mobilized in the air war exercises against the DPRK in the South Korean airspace on the 16th and 17th totalled more than 1,200.

South Berated for 'Peddling' Nuclear Problem

SK1911060092 Pyongyang KCNA in English 0450 GMT 19 Nov 92

["What Do They Make Fuss About 'Nuclear Problem' for?"—KCNA headline]

[Text] Pyongyang November 19 (KCNA)—The puppet foreign minister of South Korea during his foreign trip took issue with the North over the "nuclear problem." MINJU CHOSON today brands this as the last resort of those who have been driven to the wall at home and abroad.

The news analyst says:

A member nation of the Nuclear Safeguards Accord (NSA), the DPRK is faithfully discharging its international duty under the NSA. Our peaceful nuclear policy has been proved clearly through several rounds of irregular inspection by the International Atomic Energy Agency [IAEA].

Nevertheless, the South Korean authorities are peddling the "nuclear problem" of the North abroad in an attempt to conceal the nuclear war plot they are framing with the U.S. imperialists.

In his talk with the Austrian foreign minister, the South Korean puppet foreign minister impudently poked his nose into the inspection by the IAEA and even dared to cry that inspection of the North must be "more concrete and more strict." This is a very arrogant act to impair the authority of the IAEA by casting a doubt on the internationally recognized work of the IAEA.

The South Korean authorities must refrain from recklessly making a fuss about "suspicion of nuclear development" in collusion with outside forces, cancel the planned resumption of the "Team Spirit" joint military manuevers, a nuclear war rehearsal against the North, and take the road of faithfully implementing the North-South agreement and the joint declaration on the denuclearization of the Korean peninsula they signed under the eyes of the nation.

South Reports on Kim Pok-tong Incident Cited

SK2011043492 Pyongyang KCNA in English 0420 GMT 20 Nov 92

[Text] Pyongyang November 20 (KCNA)—"National Assemblyman" Kim Pok-tong, who was going to break with the "Democratic Liberal Party", was kidnapped, giving rise to public criticism, according to a radio report from Seoul.

Kim was whisked away to "Chongwadae" [presidential residence] Tuesday on his way to Taegu to join the national party after leaving the "DLP". Next day, No Tae-u met him and pressured him to give up his intention to leave the "DLP".

The kidnapping case invited an angry reaction from the opposition parties.

The National Party called a meeting to take measures on the case on Nov. 18 and formed a fact-finding team. And it decided to send a protest group to the "prime minister" to demand him to make public to the people the truth behind the case and bear responsibility for the involvement of the police in the kidnapping.

The Democratic Party stated in a commentary that "the truth behind the highhanded act must be clarified, no matter who gave the instruction", describing it as a left-over of the military dictatorship era.

The "New Korea Party" in a statement said "the case of lawmaker Kim Pok-tong fundamentally impaired the neutrality of the 'government'", demanding that "the prime minister resign, bearing responsibility for the case".

Kim Tae-chung denounced the kidnapping case as a coup-like outrage.

Vice Premier Chang Chol Meets Chinese Guests

SK1911132592 Pyongyang KCNA in English 1017 GMT 19 Nov 92

[Text] Pyongyang November 19 (KCNA)—Vice-premier Chang Chol today met and conversed in a friendly atmosphere with a delegation of the Chinese People's Association for Friendship with Foreign Countries and the China-Korea Friendship Association led by Wang Xiaoxian, vice-president of the Chinese People's Association for Friendship With Foreign Countries, at the Mansudae assembly hall.

Present there were Chon Yon-ok, vice-chairperson of the C. C. [Central Committee], the Korea-China Friendship Association and vice-chairperson of the Committee for Cultural Relations with Foreign Countries, and the minister-councillor of the Chinese Embassy here.

Kim Yong-nam Sees Off Cambodia's Sihanouk

SK2011045992 Pyongyang KCNA in English 0444 GMT 20 Nov 92

[Text] Pyongyang November 20 (KCNA)—His Royal Highness Samdech Norodom Sihanouk, head of state and president of the Supreme National Council of Cambodia, left here today by special plane after paying an official goodwill visit to the DPRK, at the invitation of President Kim Il-song of the Democratic People's Republic of Korea.

He and his party were seen off at the airport by Vice-president Yi Chong-ok, Vice-premier and Foreign Minister Kim Yong-nam, Vice-premier and Minister of Culture and Art Chang Chol, other officials concerned and Korean Ambassador e.p. [extraordinary and plenipotentiary] to the Supreme National Council of Cambodia Kim Hyong-yol.

A farewell function took place at the airport.

* Daily Production, Financial Review System Viewed

932C0012A Pyongyang MINJU CHOSON in Korean 2 Sep p 1

[Editorial: "Further Strengthen the Daily Production and Financial Review System"]

[Text] Currently, a vigorous struggle for increased production and conservation is under way in all sectors and units of the people's economy. An important way to heighten this struggle uninterruptedly is to further strengthen the daily production and financial review system.

The dear leader Comrade Kim Chong-il pointed out:

"The daily production and financial review system represents our way in financial summation system and business management method that splendidly embodies the chuche ideology and mass line of our party."

Strengthening the daily produciton and financial review system is of important significance in regularizing and standardizing operations of enterprises and managing the national economy assiduously. Under this system, the producer masses themselves daily conduct overall analysis and summation of progress in production activities on the day, not only for quantity and quality factors but for ideological-mental and technological-economic aspects as well. Through this process, all individual workers come to display their high revolutionary fervor and creative positiveness in production and management and acquire a work attitude befitting them as the master and a fine method of management and operations, and to play a positive role in regularizing and standardizing operations of enterprises and managing the national economy assiduously.

To strengthen the daily production and financial review system is an important guarantee for uninterrupted upsurges in production through a stepped-up struggle for increased production and conservation.

Today, we are faced with the task to fulfill this year's plans ahead of schedule as our responsibility. If we are to accomplish this task successfully, we must step up the increased production and conservation struggle vigorously. In order to keep this struggle on the upswing uninterruptedly, all work teams are required to conduct the daily review of production and financial performance in a more substantive fashion.

This system created by our party has fully demonstrated, and is demonstrating, its superiority and vitality.

Factories and enterprises demonstrating regularized and standardized business management, maintaining their housekeeping assiduously and fulfilling assignments under the people's economy plans without fail are, with no exception, units that have strengthened the daily produciton and financial review system.

Functionaries and workers in every branch of the people's economy must correctly recognize the significance of this system and continue to improve and strengthen it further to meet the demands of the developing realities.

To do so, functionaries and workers in all sectors and units of the people's economy will have a correct viewpoint and position concerning this program.

The purpose of the daily review of production and financial performance is, through and through, for all work-team members to participate in production and management with high revolutionary fervor and a strong sense of responsibility and in a manner becoming of the master, and to step up struggles for maximum production and conservation.

Guiding functionaries of administrative economic organizations, factories and enterprises must be effective in bringing the intent of the party in strengthening this system home to functionaries and workers, using various forms and methods to that end. At the same time, guiding functionaries must make workers realize by heuristic means that the system is more for summing up how they have performed the day's work for the society and collective than it is for a mere economic administrative review of how much they have produced and how much raw materials and other materials they have conserved, and by doing so, bring them to participate in the review with high political consciousness and a strong sense of responsibility.

In order to conduct the daily review of production and financial performance in a substantive fashion, it is important that clear-cut criteria are set in place and the summation is conducted in a scientific and specific manner. Well-established criteria and correctly-conducted appraisals go a long way in enhancing the desire of workers for production and making them fully display their collectivist spirit, and in improving management of enterprises.

Functionaries of administrative economic agencies, factories and enterprises should do a good job in helping each work team positively so that it can set its criteria in a scientific and dynamic fashion reflecting specific conditions and environments of the team as a unit and the ideological-mental and technical-skill levels of the producer masses, and in making the summation work a work of team members themselves. By doing so, they will ensure that all the producers have a correct understanding of the technical and economic criteria including the production assignments, conservation assignments and the standards of material consumption per unit of product and devote all their strength and wisdom to accomplishing them.

Appraisals must be made correctly based on the summation criteria. Units concerned should be ready with all the measuring instruments they need, and closely organize and coordinate recording work. They should ensure that the day-to-day production and financial management is conducted thoroughly on the basis of strict measuring and computation and following the scientific technical-economic indices. By doing so, they will see that the performance appraisal program provides leverage and an opportunity to improve management of enterprises and give impetus to production.

To ensure that it fully displays its superiority and vitality, the daily review should be institutionalized and made a way of life.

The daily production and financial review is for the producer masses themselves in each work team to sum up the day's results of production. Therefore, the review work cannot be done satisfactorily if they take a do-it-tomorrow-if-you-cannot-do-today attitude.

Guiding functionaries of administrative economic agencies and factories and enterprises must establish a firm system in which each work team conducts the day's review on the day without fail, and by doing so, generalize whatever positive examples on time while, with potentially negative factors, taking preventive measures with foresight.

To conduct the daily production and financial review in close combination with the Production Increase and Conservation Model Work Team Movement is an important way to make the system fully display its superiority and vitality. The Production Increase and Conservation Model Work Team Movement is a mass movement to have the producer masses step up their struggles for increased production and conservation and play a positive role in the struggle to create "the speed of the 1990's." By conducting vigorously the daily review of production and financial performance in close combination with the Production Increase and Conservation Model Work Team Movement, all branches and units of the people's economy will accelerate production and construction and help manage the nation's economy even more assiduously.

In strengthening the daily production and financial review system, functionaries of administrative economic agencies are in a very important position.

Successes in the work to set up model units in each economic branch and region and disseminate their examples in the conduct of the daily review, the work to improve the qualitative level of the daily review, and in the work to effectively organize personnel in charge in each branch and strengthen their role, largely depend on how the functionaries of administrative economic agencies perform their organizational and guiding role.

Functionaries of the administrative economic agencies will regularly go out to where the daily production and financial review is actually conducted to keep themselves in touch with the realities. They will provide practical leadership and assistance to institutionalize and regularize the daily review program and take whatever measures necessary to ensure its success.

All the branches and units of the people's economy will strengthen the daily production and financial review system as planned and intended by the party and, by doing so, improve economic management and further accelerate production and construction.

South Korea

No Tae-u, Yeltsin Issue Statements, Meet Press

Presidents Issue Joint Statement

SK2011062892 Seoul YONHAP in English 0607 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (OANA-YONHAP)—South Korean President No Tae-u and Russian President Boris Yeltsin highlighted Seoul's support for Moscow's political stability and economic prosperity as the key to regional peace in a joint statement Friday.

The 27-point statement summarized Yeltsin's three-day visit, in which the leaders emphasized mutual economic assistance and the need for inter-Korean mutual nuclear inspection.

"President No reassured the support and cooperation of the Republic of Korea for the political and economic reform of the Russian Federation," the statement said.

The leaders urged the two Koreas to faithfully implement denuclearization of the Korean peninsula and vowed commitment to lessen the arms races, reduce weapons of mass destruction, including nuclear arms, and prevent their proliferation.

Russia supports measures to prevent proliferation of nuclear weapons on the peninsula and supports "the idea of reciprocal nuclear inspections," said the joint statement.

No appreciated Russia's making public documents on the downing of a Korean Air jetliner by a Soviet fighter jet in 1983 while both countries continue efforts to probe all unknown facts about the incident.

The statement urged Russia to redress the living conditions for ethnic Koreans relocated and dispersed against their will during the 1930s, asking Moscow to restore their deprived rights and their honor.

Yeltsin stressed that protection laws for minorities recently enacted provide Korean-Russians equal opportunities with other nationalities in political rights and freedom.

Economic cooperation widely covers industrial fields, small- and medium-sized industries, science and technology, forestry, fisheries, construction and telecommunications.

The statement specifically highlighted establishment of a Korean industrial complex in the Nakhodka free economic zone, with Russia confirming incentives to ensure the project's success.

The two presidents welcomed joint development of a natural gas field in the Republic of Sahka [as received] and construction of gas pipelines from Russia to South Korea.

It recorded that the Korean Government will encourage its business community to expand its investment in Russia, to assist with conversion of the Russian defense industry for civilian use, and to promote joint ventures.

No Tae-u Hails Summit

SK2011064492 Seoul KBS-1 Television Network in Korean 0600 GMT 20 Nov 92

[Statement by ROK President No Tae-u during joint news conference with Russian President Boris Yeltsin at Chongwadae—live]

[Text] How are you? I am particularly glad to meet reporters who are accompanying President Yeltsin.

I held summit talks with President Yeltsin yesterday and concluded the treaty on ROK-Russian basic relations. We announced the joint statement today. Following this, we will hold a joint news conference. This pleases us.

The concrete successes in summit talks were included in the already announced joint statement.

Our two countries have agreed to expand exchange and cooperation in all fields, including politics and the economy, and promoting trust and understanding between the peoples of the two countries is very significant. This means that the basic direction for our two countries to advance as partners and for our two countries to advance toward peace and prosperity in the Asian-Pacific region of the 21st century has been established.

We have welcomed that international peace and security have been recently promoted and the past confrontational international political structure has been changed into a new international order based on friendship and cooperation. In an effort to further develop such international trends of peace and cooperation, we agreed to join the efforts of international society to ease the arms race, to reduce mass lethal weapons including nuclear weapons, and to prevent the expansion of such weapons.

President Yeltsin and I agreed to jointly cooperate for Northeast Asia's peace and prosperity. We shared the view that Russia's development will greatly contribute to Northeast Asian development.

President Yeltsin reconfirmed Russia's support on the measure for the prevention of nuclear proliferation taken on the Korean peninsula and confirmed that Russia supports mutual South-North Korean nuclear inspection which is in accordance with the declaration on the denuclearization of the Korean peninsula.

I firmly believe that with President Yeltsin's historic visit to Seoul, our two countries have provided a firm foundation for the development of cooperative relations toward the future of democracy and prosperity.

I am also convinced that the development of such relations between our two countries will greatly contribute to security in Northeast Asia, to peaceful reunification of the Korean peninsula, and to the expansion of an atmosphere of cooperation among Northeast Asian nations.

Taking this opportunity, I highly value that President Yeltsin handed over to us the materials concerning the Korean Airline incident that occurred in the era of the cold war and agreed to jointly strive to probe all truth of this unfortunate incident.

This will serve as an opportunity for the people of our two countries to promote mutual friendship and to open a new era of cooperation and common prosperity by doing away with the past history of unfortunate events.

Now Russia has become our close neighbor. It pursues freedom, democracy, and a free market economy. We welcome Russia's new appearance. We will extend all encouragement to the Russian people, who take pride in their long tradition, so that they will attain success in building a great Russia based on its strong and firm potential energy.

I firmly believe that our two nations will promote substantive exchanges in all fields, including diplomatic, economic, and cultural fields. I believe our two nations will strengthen national friendship and ties, and will jointly develop as genuine good- neighborly allies [chinjonghan sollin ubang]. I believe that President Yeltsin will also share the view concerning my belief.

I will now ask President Yeltsin to speak.

Yeltsin Stresses Good Relations

SK2011075292 Seoul KBS-1 Television Network in Korean 0607 GMT 20 Nov 92

[Statement by Russian President Boris Yeltsin at the presidential residence of Chongwadae—live; Yeltsin speaks in Russian with simultaneous Korean translation]

[Text] Mr. President, ladies and gentlemen.

This is my first visit to the ROK. During my visit to the ROK, I found a new country, a new world, and a new people. Our Russia and the ROK are partners. What I would like to stress particularly is there are no difficulties whatsoever that hinder the relations between our two countries. I also would like to stress that I visit your country as the president of a new Russia. I come from a Russia that is completely cured of a disease called communism.

I would like to say that the Korean and Russian peoples pursue the same national interest, including personal freedom, human rights, and a common cause. We are not only political partners but also economic partners and share an interest in maintaining security and peace in the Asia and Pacific region.

Today's Russia means democracy. Furthermore, Russia is also a symbol of struggle, through which it achieved democracy. If Russia fails to achieve democracy, the whole world's democracy will experience a setback. I think that a huge country like Russia can undoubtedly get out of its crisis independently. In order to prevent such a process from being prolonged, however, we need international solidarity and support. His Excellency President No Tae-u has just now mentioned this. I would like to stress that the ROK's solidarity will greatly contribute to the Russian economy.

This is because large-scale economic programs for our two countries, which number 23 projects, are being promoted. I handed a list of these projects over to President No Tae-u. If we jointly push ahead with these projects, it will contribute to your country's economic stability, as well.

If your country develops fast, it will find a place in Russia's vast markets. This is important.

During my visit, the Russian Federation and the ROK signed an agreement for technological exchange and other agreements, and I met with ROK businessmen. This will become a good foundation for expediting political and economic exchange.

ROK-Russian cooperation will consolidate security in this region.

In particular, I would like to stress that the new Russia has a new political moral. The two countries will develop bilateral relations without doing harm to third countries.

We will not export our ideology and revolution. In connection with this, I would like to say that Russia is not only a great European country but also a big Asian country. From this perspective, we will remain in Asia. A large part of our national interests lies in the Asian continent.

I firmly believe that the ROK will remain Russia's partner and friend.

Russia has finished drafting a foreign policy program based on international law and the ideals of the UN Charter. This foreign policy will bring peace and cooperation in the Asian-Pacific region.

Of course, our visit to the ROK is short this time. Its substance, however, has been abundant. Our meetings included tete-a-tete talks, a plenary session, and the signing of the basic treaty on relations between Russia and the ROK. The memorandum of understanding between the defense ministers of the two countries, and agreements on economic cooperation and scientific and technological cooperation committees of our two countries were also signed. We issued a joint statement on our visit to the ROK. We handed over the black box and recording tape of the KAL airliner to the ROK side. In addition, we signed an intergovernment agreement on cultural cooperation, a treaty on mutual assistance and cooperation in [word indistinct] and agreement on the prevention of double taxation. We met with your country's businesses. I also met with with the speaker of the National Assembly and assemblymen. I made a speech at the National Assembly. I met with the president of the Democratic Liberal Party and with Chong Chu-yong, president of the United People's Party.

I visited the Samsung Company which is a matchlessly large enterprise. I think it is an important company which can be valued as a national asset.

I would like to point out that our current visit is very successful. I am satisfied with this visit. I would like to express our deep thanks to His Excellency President No Tae-u and to many other people who participated in meeting with us.

Thank you.

Presidents Hold News Conference

SK2011082292 Seoul KBS-1 Television Network in Korean 0616 GMT 20 Nov 92

[Joint news conference by ROK President No Tae-u and Russian President Boris Yeltsin with foreign reporters at the presidential residence of Chongwadae—live; Yeltsin and Russian reporters speak in Russian with simultaneous Korean translation]

[Text] [Munhwa Broadcasting Corporation reporter Yi In-yong] My question is for Russian President Yeltsin. With the ROK's resumption of loans to Russia and Russia's presentation of its detailed plans for economic cooperation with the ROK, the two countries have entered a full-dressed stage of economic cooperation. The ROK people's expectation toward economic cooperation with Russia seems to be very big. However, some people seem to have concerns about it. What are your prospects for economic cooperation between the two countries?

[Yeltsin] I think our two countries have complementary positions. For instance, Russia has achieved great successes in high technology. Our country has rich underground natural resources. Also, we have a wealth of a labor force. Our country is conducting economic reforms and seeking a market economy. In other words, our country is about to enter a civilized world. Of course, there have been many difficulties with these programs. I foresee that such difficulties will continue through 1993. However, I am sure that our country will achieve economic development after that. Therefore, I would like to urge foreign business firms and businessmen to take inroads into our country in a timely and rapid manner. I am sure they will be successful in their business in our country. This will be also beneficial to our country and their countries.

As I mentioned, we have 23 projects, among them are large-scale projects, in which ROK firms can participate. So, to realize these projects, it is imperative for not only our generation but also the next generations to work hard.

[Unidentified Russian reporter] Your Excellency [addressing President No Tae-u], I would like to ask you the following question. During President Yeltsin's speech at the ROK National Assembly on 19 November, he talked about the need for multi-faceted negotiations, such as contacts between experts, on security in the Northeast Asian region, an issue with infinite possibilities for dispute. How is this related to Your Excellency's plan on ways to strengthen security?

[No] During my speech at the UN General Assembly, I proposed that opportunities for dialogue should be provided by the related countries of the Asia-Pacific region for establishing political and military trust and common prosperity. Therefore, from this viewpoint we share the same opinion. However, there are steps that we have to go through. Before solving various issues of cooperation, we have to resolve the South-North issue first of all. It is a fact that many unstable elements, such as the South-North issue, still remain in the Asia-Pacific region. Therefore we must eliminate these unstable elements. We must further activate dialogue among related countries and work to eliminate unstable elements one at a time. In addition, we should work to restore trust on a mid-, and long-term basis. I believe that it is desirable to go through these steps in detail to bring about the new cooperation organization. We should all work together so that this kind of cooperation organization can be realized as soon as possible.

[Korea Broadcasting System reporter Mun Chae-chol] I am reporter Mun Chae-chol from the Korea Broadcasting System. I will ask President Yeltsin a question.

Yesterday, the Russian Government announced that it had stopped supplying nuclear material and nuclear technology to North Korea. It also announced that it had stopped its assistance in North Korea's construction of a plant for assembling MiG-29's. I think this is part of the Russian Government's efforts to help denuclearize the Korean peninsula. Nevertheless, North Korea has not changed its attitude toward the nuclear issue. Would you tell us what specific role the Russian Government will play toward North-South mutual nuclear inspections and stability on the Korean peninsula?

[Yeltsin] North Korea will not be able to develop nuclear weapons without Russia. Russia has suspended its supply of nuclear material and various equipment for nuclear research to North Korea. As a result, we think North Korea's development and research in this field will probably be suspended. Through our talks with North Korea, we are planning to continuously put political pressure.

We signed a treaty with the ROK, before we sign one with the DPRK. As you know, North Korea has a treaty that it signed with the former Soviet Union in 1961. As I see it, I think at present the treaty should be reviewed again or some articles in it should amended.

In particular, as you know, Article No. 1 of the treaty stipulates that if North Korea is under any attack, the Soviet Union, rather, our country will automatically get involved [in North Korean defense]. We have no intention to do so. I think that this clause must be abolished immediately. In other words, the treaty with North Korea must be abolished or reexamined and revised to a great extent.

In other words, by taking such political measures, we will continuously persuade North Korea to understand our position and we will put pressure. In other words, only when the Korean peninsula is denuclearized, I believe North-South relations will be developed, and, as a result, the Korean peninsula will be reunified.

[Reporter (Medivechev) from Russian Television Ostankino] I would like to ask Your Excellency [addressing No Tae-u] the following questions.

The ROK has today achieved a high level of economic development. The ROK is now adapting itself to changes in the world economy. What is Your Excellency's view on the present influence on Korea's adaption upon ROK-Russian economic cooperation?

[No] As previously pointed out by President Yeltsin, Russia has abundant natural resources. In addition, it has ultramodern technology and enormous markets. On the other hand, our ROK gained particular experience in development which can hardly be seen in other parts of the world. A relatively high priority has been given to light industry which attaches importance to consumer goods production.

In view of this, Russia and our country have economic structures which supplement each other. Russia is presently pushing ahead with the market economic system. Success in this reform is an indispensable factor in the world's economic development. For this, we are constantly extending economic support for Russia's economic reform.

When our nation's economy develops and plays a greater role in the world economy, the economic cooperation between our countries will be further expanded. Accordingly, we will have relations in which our two countries will jointly prosper.

[Yeltsin] I would like to add a few words to this. I met with two presidential candidates this morning. During this meeting, I learned that they also support the treaty which I signed with His Excellency No Tae-u and other agreements signed yesterday. I personally felt, therefore, that the policies of the ROK will not change in the future. I also think that our economic cooperation will advance with this policy direction.

[No] I thank you all very much.

Yeltsin's Remarks Summarized

SK2011085592 Seoul YONHAP in English 0821 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (OANA-YONHAP)—Russia will not provide North Korea with nuclear materials or facilities, and North Korea is incapable of nuclear development without such assistance, Russian President Boris Yeltsin claimed Friday.

Russia was willing to politically pressure Pyongyang in a joint effort with Seoul for denuclearization of the Korean peninsula, Yeltsin said, calling denuclearization a prerequisite to progress in inter-Korean dialogue and Korean unification.

Yeltsin, making his first Asian trip since taking the presidency in June last year, capped his three-day visit with a press conference with South Korean President No Tae-u and then left for Moscow.

"North Korea is incapable of nuclear development without Russia's help," Yeltsin said. "Since Russian assistance has stopped, I believe North Korea's research and development in this area will be frozen."

Moscow will have to reconsider the clause in its 1961 treaty on friendship and mutual assistance with North Korea that guarantees automatic military intervention in case of war on either side, he said.

"What is important is that Russia concluded an agreement with South Korea first before North Korea," the Russian leader said, referring to the South Korea-Russia treaty on basic relations.

"I believe the clause in the treaty with North Korea must be annulled or revised," he said.

No, asked about Yeltsin's proposal for multilateral security consultation for the Asia-Pacific, said he favors a gradual development in that direction.

"The inter-Korean problem remains an unstable element in Northeast Asia, and it is favorable for involved nations to remove the obstacles one by one, build confidence and gradually develop a new cooperation body," No answered.

The Russian leader predicted that his country will make an economic leap after 1993, predicting that the problems in the transition to a market economy will be solved by the end of next year.

"Both nations will benefit when South Korean companies and businessmen make timely advance into the Russian economy," Yeltsin said.

The 23 economic projects he had proposed should continue through the next generation, he said.

Foreign Ministers Cite Dangers of Proliferation

SK2011070792 Seoul YONHAP in English 0646 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—South Korean Foreign Minister Yi Sang-ok and his Russian counterpart, Andrey Kozyrev, agreed here Friday that they were both opposed to the proliferation of weapons of mass destruction on the Korean peninsula.

Yi said that having these weapons on the Korean peninsula was a matter of world concern, according to Choe Sung-hong, director-general of the European Affairs Bureau of the Foreign Ministry.

Korea would join the chemical weapons convention in January next year and accept international inspection to verify its conduct at any time, Choe, who attended the talks, quoted Yi as saying.

Yi accused North Korea of having a lukewarm stance on inter-Korean nuclear inspection, producing and stockpiling chemical arms, manufacturing and selling Scud missiles, and of having no intention to join the convention banning chemical weapons, Choe said.

He told Kozyrev that the proliferation of weapons of mass destruction should be prevented on the Korean peninusla, and the Russian foreign minister said that he agreed.

Kozyrev said that President Boris Yeltsin's visit to Korea was a historical point in Seoul-Moscow ties and was very successful, adding that it was the starting point of Russia's Asian policy.

The two foreign ministers agreed to seek an early solution of an ownership dispute over land used by the Russian Legation through working-level negotiations.

They held the opinion that the issue should not develop into a legal dispute over the more than 6,000 pyong (198,000 square meters) of land in Chong-dong that the Russian Legation occupied until early this century.

Military Memorandum of Understanding Signed

SK2011061692 Seoul KBS-1 Radio Network in Korean 0515 GMT 20 Nov 92

[By No Ki-yong]

[Text] ROK Defense Minister Choe Se-chang and Russian Defense Minister Grachev held a meeting this morning at the Ministry of National Defense. They signed a memorandum of understanding on military exchanges between the ROK and Russia for next year.

The memorandum of understanding consists of a full text and six articles. The two countries decided to activate the exchange of military personnel such as having the ROK defense minister, the chief of the Joint Chiefs of Staff, or the vice defense minister visit Russia next year. They also will allow the Russian defense minister or the chief of staff to visit the ROK; and they will allow the Russian Defense Ministry delegation to inspect functions on ROK Armed Forces Day.

To promote military exchanges, the two countries also decided to have each other's naval vessels have friendship visits to each other's countries when the ROK consulate general in Vladivostok and the Russian consulate general in Pusan are established next year. To study each other's military education system, the two countries decided to mutually dispatch the ROK Defense Ministry delegation and the Russian General Staff University delegation to each other's military institutions.

The memorandum of understanding signed by the ROK and Russian defense ministers will promote exchange and cooperation in the military field according to the spirit of the treaty on basic relations between the ROK and Russia. Its effective date is for next year only but the memorandum can be renewed annually. Also one month before the memorandum expires, either country can notify the other of its expiration through a document.

Allows Reciprocal Warship Visits

SK2011062392 Seoul YONHAP in English 0602 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—South Korean warships are to visit the Russian port of Vladivostok next year to mark the opening of a consulate-general there, and Russian warships will reciprocate with a call at the Korean port of Pusan for the opening there of a Russian consulate-general.

Agreement on the visits is contained in the memorandum of understanding on military exchanges for development of relations between the defense ministries of the two countries for 1993, signed here Friday by defense ministers Choe Se-chang of Korea and Pavel Grachev of Russia.

The memorandum covers exchange visits of the defense ministers or chairmen of the joint chiefs of staff and other military personnel, warships, and the Korean Defense Ministry delegations and Russian Military College delegations.

The signing signaled formalization of military relations between the countries and was expected to affect the military alliance between Russia and North Korea, a South Korean Defense Ministry spokesman said.

The memorandum is composed of a preamble and six articles. It takes effect in January next year, and the defense ministries of the two countries have agreed to consult on signing a memorandum for 1994 in the latter half of next year.

Formalized Military Relations Noted

SK1911122692 Seoul TONG-A ILBO in Korean 17 Nov 92 p 3

[Editorial: "Meaning of the Formalization of Military Relations Between the ROK and Russia"]

[Text] Our country and Russia have agreed to exchange a "protocol" on mutual cooperation in the military field. This is very important for the development of relations between the two countries and the promotion of peace in Northeast Asia. This is because the exchange of the protocol would pave the way for establishing substantial friendly relations and because it hints at possible changes in the balance of power in Northeast Asia.

Our country and the United States have signed a treaty of mutual defense, and our country and Japan have signed a basic treaty. Meantime, North Korea has signed a treaty of friendship, cooperation, and mutual assistance with Russia and China. Based on these treaties, the balance of power has been maintained in Northeast Asia and, in particular, on the Korean peninsula. Our country and Russia will sign a protocol on mutual military relations. Therefore, changes in relations between Russia and North Korea will be inevitable. The exchange of visits by high-ranking generals, groups for observing military exercises, warships and air divisions, and national defense college students are the main points of the ROK-Russian protocol on military relations. This protocol is a document that will formalize mutual cooperation between the two countries in the military field for the first time. This will promote military cooperation between the ROK and Russia as effectively as the military cooperation Russia has maintained with North Korea.

Our country and Russia have pursued the promotion of cooperation and exchange mainly in the political, economic, and cultural fields. The two countries will sign a basic treaty during President Boris Yeltsin's visit to Seoul, scheduled for 18-20 November. The basic treaty does not contain clauses on military affairs. Therefore, our country and Russia have decided to exchange the protocol on military relations, in addition to the basic treaty. As a result, mutual cooperation in the military field will also be promoted in earnest.

Some people contended that before signing the basic treaty with Russia, our country must ask Russia to revise or abolish some clauses of the Treaty for Friendship, Cooperation, and Mutual Assistance, it signed with North Korea. Some other people contended that if our country and Russia pursue mutual cooperation in the military field, this may exercise a negative influence on their relations with North Korea. However, the majority opinion was that the contentions do not make any sense because our country and the United States have signed a treaty of mutual defense.

Whatever the case may be, our country can expect that the exchange of the ROK-Russian protocol on military relations will enable us to deter North Korea from provoking a war on the Korean peninsula. Also, Russia can expect that it will not only have chances to sell its weapons to our country, but also check Japan and China, which have strengthened their military capabilities recently, and, thus, maintain its influence over Northeast Asia, including the Korean peninsula.

And yet, this does not necessarily mean that the situation in Northeast Asia, including the Korean peninsula, will change greatly. It is still important that our country should maintain its security through close military cooperation with the United States under the framework of the traditional ties between the two countries. We should develop relations of military cooperation with Russia in a prudent way so that we can lead these relations to contribute to deter North Korea's provocation and to achieve peace and security in Northeast Asia.

Significance of Military Memo Viewed

SK2011094392 Seoul YONHAP in English 0732 GMT 20 Nov 92

["News analysis" by Kim Sun-han]

[Text] Seoul, Nov. 20 (YONHAP)—With the sweep of a pen, Seoul has opened the door to escape its military dependence on Japan and the United States, and weakened North Korea's military alliance with China and Russia.

Friday's signing of the Korea-Russo memorandum on military exchange for 1993 formalized military ties for the first time, irrevocably altering the balance of power in the region among China, Japan, Russia and the United States.

Military observers say it is the best security in preparation for Korean unification.

Defense Ministry officials say it is a good opportunity to build mutual confidence as well as facilitate understanding.

Although the memorandum is effective for only a year and is primarily designed for exchanges of military personnel, it is a virtual consolidation of bilateral relations, according to the observers.

More than anything else, it is expected to deter North Korea from invading South Korea and help Pyongyang in its efforts to open and reform.

For Seoul, the signing of the memorandum serves as a golden opportunity to nurture experts on Russian military affairs, who are desperately needed now, as it trys to systematically study North Korea's military stratagem, which is patterned on a Russian model.

North Korea, which has a treaty of friendship and mutual assistance signed with the Soviet Union in 1961, may be tremendously affected psychologically and militarily.

A clause in the treaty that entitles Moscow to intervene militarily in a dispute on Pyongyang's side was all but abrogated with the signing of the memorandum, which Moscow was reportedly more active in seeking than Seoul.

In a meeting in August with Gen. Song Ung-sop, first deputy chairman of the South Korean Joint Chiefs of Staff, Russian military leaders emphasized the need for military cooperation between Seoul and Moscow.

A Russian military delegation headed by Andrey Kokoshin, first deputy defense minister, expressed strong hope for military cooperation with Seoul while visiting here in October.

Through military cooperation with South Korea, Russia may regain some of its influence in Asia, which has been at low ebb since the breakdown of the Soviet Union, and earn desperately needed foreign currency by exporting weaponry and strengthening joint investment in the defense industry.

At the same time, Russia may gain a Korea card to play in detering attempts by China and Japan to seize political and military hegemony in Asia under Russia's weakening influence.

Military exchange between Seoul and Moscow is sure to develop in the future, but in terms of cooperation in defense industries, South Korea may keep a lukewarm attitude because its security system is based on the 1953 Korea-U.S. mutual defense treaty.

U.S. defense companies are pushing sales of their products in Korea, making it hard for Seoul to procure cheaper Russian-made arms in bulk.

The Korean Defense Ministry plans to permit private businesses to pursue joint ventures with Russia to a limited extent and import Russian arms in small numbers for research.

Joint Economic, Technological Committee Formed

SK2011025092 Seoul YONHAP in English 0157 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—South Korea and Russia are to set up a joint committee chaired by deputy prime ministers to find ways to expand economic and technological cooperation.

Agreement to form the joint committee on economic, scientific and technological development was reached Friday in talks between deputy Prime Minister Choe Kak-kyu and his Russian counterpart, Alexandr Shokhin, who was in Seoul with President Boris Yeltsin.

They also agreed to strengthen economic cooperation in such fields as trade, joint ventures, joint development of natural resources and cooperation in science and technology, and signed a regulation on their agreement.

The committee will meet once a year in Seoul and Moscow by turn.

Shokhin asked Choe to resume economic cooperation aid to Russia, including loans for consumer goods, as soon as possible.

He also asked for Korean companies to actively participate in a gigantic scheme to convert Russia's military industry to consumer production.

Shokhin presented a list of fields in which Russia is looking for Korean partners, expressing hope for the Korean government to help businesses investment in Russia.

Choe said that there would be little problem for the Korean Government to resume extending the loans since Russia has settled the overdue payment of interest for the loans and guaranteed repayment of the debts of the Soviet Union.

Choe promised to actively cooperate to promote joint investment and asked Russia to facilitate better conditions for Korean companies in Russia.

Customs Cooperation Agreement Signed

SK2011021492 Seoul THE KOREA HERALD in English 20 Nov 92 p 8

[By staff reporter Kang Sok-chae]

[Text] Korea and the Russian Federation yesterday signed an agreement on cooperation and mutual assistance in customs matters.

For Russia, the pact is the first with a foreign country since it set up a customs agency last October as part of its efforts to create a market-oriented economy.

"The agreement will contribute to the facilitation of customs clearance and the rapidity of clearance procedures in exportation and importation," said Anatoliy S. Krouglov, chairman of the State Customs Committee of the Russian Federation.

He said that Russia has many things to learn from Korea concerning customs techniques.

"Especially, we want to know from your side about tariff regulations and customs clearance," said the Russian official.

He made the remarks shortly before the formal signing of the customs cooperation pact at the Korean Customs Administration Building.

Paek Won-ku, commissioner of the KCA, represented the Korean side and Krouglov, the Russian side.

The two sides initialed the customs cooperation agreement in Moscow last August.

"The agreement also provides opportunities for information exchanges between the two countries in customs matters, including the law-enforcement issue concerning contraband," Krouglov said.

He also emphasized the importance of training of Russian customs officials in Korea, adding that further contacts between customs houses, either central or regional, should be activated to effectively implement the agreement.

"We want the second round of customs cooperation talks to take place in Seoul in January next year, which will be discussed with the KCA head," the Russian said.

He also expressed hope for early establishment of sisterhood relations between the Far East Regional Customs Administration and Korea's regional customs house in Pusan.

He said the agreement will help activate bilateral trade and prevent illegal drug trade and smuggling.

The KCA is considering the possibility of developing training program opportunities in the interest of the development of customs techniques for Russian customs officers and the training program will be held early 1993 at the earliest.

The two customs agencies are considering the introduction of a prior customs clearance system, under which all local products bound for Russia can complete their clearnace producers in Korea.

So far Korea has signed customs assistance agreements with such countries as the United States, Canada, Australia, New Zealand and Russia.

Trade Ministers To Hold Regular Contacts

SK2011031792 Seoul YONHAP in English 0304 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—South Korea and Russia will hold regular trade ministers talks and working-level meetings, starting in Moscow next year, Korean Trade and Industry Minister Han Pong-su and Russian Foreign Economic Relations Minister Petr Aven agreed Friday.

Aven was accompanying Russian President Boris Yeltsin on a three-day visit to Seoul.

The two ministers agreed to make joint efforts to get rid of the stumbling blocks to trade between their countries. They shared a view that improvement of industrial cooperation was essential to long-term development of cooperative ties.

They agreed the Russian Foreign Economic Relations Ministry should support bilateral cooperation to seek good results in the commercialization of the Russian military industry.

Han called on Aven to work out sincere measures to pay outstanding bills for Korean imports, saying that Russia owed 6.4 million U.S. dollars to Korean companies at the end of October from imports.

He stressed that the delayed payment for Korean imports was causing trouble in the normal development of bilateral trade as the Russian foreign economic bank froze all payments in foreign currency late last year.

Han asked aven for the Russian Government and Moscow city administration to help the Korea Trade Promotion Corp. secure a plot to build a Korea-Russia trade center in Moscow.

Aven said he hoped for an expansion of Korean investment in Russia and Han told him that big Korean firms were trying to make joint investments in the fields of electronics, automobiles and resources development.

Han said that he wanted Russia to give incentives such as tax benefits and guarantee profit remittance to Korean companies advancing into Russia.

Former Legation Land Issue Remains Unsettled

SK2011030892 Seoul YONHAP in English 0256 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (OANA-YONHAP)—South Korea and Russia were unable to settle their dispute over the ownership of property used by the former Russian legation Friday.

South Korean Foreign Minister Yi Sang-ok and his Russian counterpart, Andrey Kozyrev, agreed in talks on bilateral issues that it should not escalate into a legal dispute.

The foreign ministers said that they wanted to expedite the working-level negotiations that were already under way to find a realistic solution.

The dispute involves more than 6,000 pyong (198,000 square meters) of land in Seoul that the Russian legation used to occupy.

Moscow has insisted through five rounds of negotiations that it bought the property in Chong-dong in 1886, supporting its claim with deeds showing the property belongs to Russia, the officials said.

But Seoul says the deeds were never officially documented by the South Korean side and are only a record exchanged between the Russian legation and the Russian Foreign Ministry, they said.

There is no record in Korea that Moscow bought the property or that Korea gave it the real estate for its use, they said.

South Korea declared the area national property in October 1949.

Moscow has insisted on return of the land since diplomatic normalization with Seoul in October 1990.

Kozyrev demanded that Seoul recognize Russian ownership since Moscow never gave up the property, and negotiate an exchange of embassy sites in each other's country after assessing the real estate value.

Yi said there was no clear evidence that Russia bought the real estate, adding that Seoul had evidence that Russia leased most of the property.

Agreement on Industrial Complex Postponed

SK2011055992 Seoul YONHAP in English 0540 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—South Korea and Russia postponed Friday the signing of a basic pact to establish a 1 million-pyong (3.3 million square meters) industrial complex in Nakhodka, an official at the Korea Land Development Corp. said Friday.

Corporation President Kwon Yong-kak and Igor Ustinov, authorized representative of the administrative committee of the Nakhodka Free Economic Zone, were to ink the agreement but it was postponed as they differed on some clauses, he said.

Korea was to lease the land in Nakhodka, Primorskiy Kray, for 70 years for an industrial complex exclusively for Korean companies, according to the disputed 11-article draft of the basic pact.

Official Says KAL Incident Needs Further Study

SK2011093692 Seoul YONHAP in English 0908 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—The Russian Government is trying to dig out the truth surrounding the downing of a Korean airline plane by the Soviet Union, but cannot be held responsible wholly for what the USSR did, a senior Russian official said here Friday.

Vice Foreign Minister Georgiy Kunadze and three other Russian officials, who were accompanying their president to Korea, made the remarks while meeting with the five representatives of KAL [Korean Air Lines] incident victims at Hotel Shilla Friday noon.

Reacting to the victims' demand for compensation, Vice Minister Kunadze said, "I cannot answer the demand because it is a very difficult issue. The Russian Government cannot assume the political responsibility wholly for what the USSR Government did in the past."

He denied as "totally unfounded" some allegation that there were survivals in the aircraft mishap.

"We have much information about the KAL incident. Still, the information is not enough to determine the whole picture of the disaster. To dig out the complete truth, there needs the creation of an investigation team formed jointly among all countries involved," he said.

Rep. Moo In-tak of the Democratic Party who attended the meeting as a representative of victims said it was incomprehensible for the Russians to shun responsibility for what happened only nine years ago while claiming a right to the tsarist consulate that existed 100 years ago in Seoul.

The victims' representatives demanded at the meeting that Russia thoroughly look into the incident, repatriate all remains and the belongings of the victims found, erect a monumental tower in Sakhalin, and proper compensation to the bereaved families of the victims.

Yeltsin Holds Talks With Political Figures

Meets DLP's Kim Yong-sam

SK2011023292 Seoul KBS-1 Radio Network in Korean 0200 GMT 20 Nov 92

[Text] Democratic Liberal Party [DLP] president Kim Yong-sam had breakfast with Russian President Boris Yeltsin at the Shilla Hotel, Seoul, for about 50 minutes and exchanged opinions of common interest.

Choe Chang-yun, chief secretary of Kim Yong-sam who accompanied them, revealed that during the meeting President Yeltsin said that if President Kim Yong-sam is elected as president in the upcoming election, he will officially invite him to Russia. President Yeltsin will hand over materials on the Korean war which the KGB and Defense Ministry possess. Chief Secretary Choe revealed that DLP president Kim Yong-sam cordially accepted this.

Those on hand from the DLP side were lawmakers O Se-ung and Chong Chae-mun. Present from the Russian side were Foreign Minister Kozyrev, (Yurychev), a presidential aide; and Ambassador to ROK Panov.

Meets UPP's Chong Chu-yong

SK2011045892 Seoul KBS-1 Radio Network in Korean 0430 GMT 20 Nov 92

[Text] Russian President Yeltsin met United People's Party [UPP] President Chong Chu-yong this morning and held discussions on issues of economic cooperation including Siberian development. The UPP side revealed that during the meeting President Yeltsin and President Chong Chu-yong discussed issues on our country's businesses participating in the development of Yakutsk natural gas and in privatizing the old Soviet Union's munitions industry.

The UPP side also revealed that when President Chong Chu-yong requested that the Koreans who were forced to live in Central Asia during the Stalin era be able to reside in the Maritime Province of Siberia, President Yeltsin said that he was examining this from a positive position.

More on Yeltsin Meeting Politicians

SK2011061992 Seoul YONHAP in English 0553 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—Russian President Boris Yeltsin met with presidential candidates Kim Yong-sam of the Democratic Liberal Party [DLP] and Chong Chu-yong of the United People's Party Friday and exchanged views on ways to promote mutual trust and bilateral cooperation.

During his meeting with Kim Yong-sam, Yeltsin said he believed that Kim would be elected president in the Dec. 18 election and he would extend an official invitation to Kim to visit Russia, said Choe Chang-yun, chief of the secretariat of the DLP president.

Moreover, Yeltsin promised that he would personally hand over KGB and Defense Ministry documents on the Korean war when Kim visited Russia, Choe said.

When the documents were made public, it would provide a turning point for the promotion of mutual trust, Yeltsin said.

Kim urged Yeltsin to show more interest in human rights in North Korea and asked for Russian cooperation in stopping Pyongyang from developing nuclear weapons.

Yeltsin replied that he was aware that the protection of human rights in North Korea "is not up to the international standards."

Yeltsin then promised Russian cooperation for changes in North Korea.

In his meeting with Chong Chu-yong, Yeltsin sought active participation by Korean businesses in Russian efforts to privatize its defense industry and develop Siberian natural gas fields.

The Democratic Party, whose presidential candidate Kim Tae-chung rejected an offer to meet Yeltsin, reacted sharply to the visitor's reported remarks to Kim Yong-sam.

Hong Sa-tok, party spokesman, said that if the Russian president had actually made such remarks to Kim Yong-sam, they showed the limitations of Yeltsin, who has not received the basic training of democratic politics. If, on the other hand, they were exaggerated by the Korean side, it was shameful evidence of toadyism, Hong said.

DPRK Calls Yeltsin Trip 'Begging Diplomacy'

SK2011053592 Seoul CHUNGANG ILBO in Korean 20 Nov 92 p 2

[Text] North Korea, which has not shown any official reaction on Russian President Yeltsin's visit to the ROK, on the South Korean National Democratic Front [SKNDF] radio 19 November broadcast said that President Yeltsin's visit to the ROK is a "diplomacy designed to beg for economic aid". The SKNDF broadcast said: In the talks, President Yeltsin expressed his "regret" over the past unfortunate events, including the 25 June Korean war, and assured of "ROK-Russia friendship and cooperation." This is a begging diplomacy by the president of a large country called Russia toward the ROK, which is a colony of the United States. This begging diplomacy creates the public's astonishment.

PRC Says ROK-Russia Ties Conducive to Peace

SK2011015492 Seoul YONHAP in English 0143 GMT 20 Nov 92

[Text] Hong Kong, Nov. 20 (YONHAP)—The Chinese Government has said that progress in South Korea-Russia relations will be conducive to peace and stability in the Asian region, the MINGBAO newspaper reported Friday.

"South Korea and Russia are both China's neighbors. China wishes progress in the relations between South Korea and Russia will contribute to the regional peace and stability," MINGBAO quoted Chinese Foreign Ministry spokesman Wu Jianmin as saying in a weekly briefing Thursday.

Wu said China was endeavoring to improve its relations with Russia and other countries in the region on the basis of the five principles of peaceful coexistence, and that such efforts would help secure peace and stability in the region and the world, the Hong Kong daily said.

* Editorial on Relations With Japan, Russia

932C0001A Seoul MAEIL KYONGJE SINMUN in Korean 21 Sep 92 p 3

[Editorial: "Japan-Russia Relations and Korea"]

[Text] The cancellation by the Russian president, Boris Yeltsin, of his visit to Japan and the postponement of his visit to Korea created a delicate political and economic atmosphere in the Far East.

It is known that a direct cause of his cancellation is that the Japanese government has maintained too strong a position on the issue of returning the northern islands. The Japanese Foreign Ministry's position has been that the Japanese Government cannot provide economic aid to Russia without an official promise by Russia to return the Kuril Islands. The Japanese Government also believed that the more the Russian economy deteriorates, the faster the atmosphere of resolving the territory disputes will develop.

On the other hand, as far as the territory dispute with Japan is concerned, there is an atmosphere within Russia that they cannot concede at all. Especially conservative circles, including the Russian military, are claiming that they will not hesitate to exercise extreme measures if the northern islands were to be returned to Japan.

It is a fact that Yeltsin's visit to Japan has been cancelled and his visit to Korea has been postponed to 18 November. It is necessary to read a clear change here. It is known that Yeltsin made it clear, while making an apologetic call to President No Tae-u, that the postponement of visiting Korea and the cancellation of visiting Japan are two different matters.

State minister of Russia, Burbulis, recently made an interesting remark that, "Although we consider the relationship with Japan very important, we would like to make it clear that Japan is not the only nation in the Asian-Pacific region." His remark is interpreted as specifically implying the recent economic cooperation between Korea and Russia and the recent agreement with Taiwan to open a liaison office. Gorbachev had also made a speech in which he said, "We can do without Japan."

As far as Russian matters are concerned, there is one thing that we have to always remember. Although Russia is insensitive to the principles of the market economy, it has political and diplomatic negotiation skills superior to those of any industrialized nation in the world. In some sense Japanese diplomatic efforts to get the four northern islands back from Russia with economic pressure might have resulted from underestimating Russian skills that have been controlling almost half of the world with its socialist ideology during the past 70 years.

The deterioration of the relationship between Japan and Russia provides an opportunity for reevaluation of the geopolitical and geo-economic status of Korea in relation to the recent opening of diplomatic relations with China. First of all, Korea, which currently maintains a good relationship with Japan, Russia, and China, can be a moderator for important issues, depending upon its diplomatic capabilities. For instance, when Yeltsin visits Korea in November, Korea can negotiate with Yeltsin to make an arrangement for a Japanese diplomatic team to visit him in Seoul. Korea can also play a role as an objective, third party advisor on the northern territory dispute between Japan and Russia, by analyzing both parties' positions and by making an objective recommendation.

Secondly, it is anticipated that our position will be stronger regarding the development of natural resources in the far eastern region of Russia. It can be assumed that Japanese hesitation to participate in the development of the region because of its national pride provides a legitimate excuse to Korea to get involved in developmental projects as a sole participant.

Thirdly, Korea should try to make its position stronger toward North Korea. In case South Korea can play a core role as a nation that can settle peace in north-eastern Asian nations by linking with the U.S., in addition to Russia and China, it can naturally induce North Korea to participate in holding a dialogue with South Korea more smoothly.

* New ROK-U.S. Security Strategy Detailed

932C0022A Seoul TONG-A ILBO in Korean 9, 10, 13 Oct 92

[Article in three installments by Washington corespondent Kim Chae-hong: "New Strategy for ROK-U.S. Security Cooperation"]

[9 Oct p 9]

[Text] The 24th annual ROK-U.S. Security Consultative Meeting (SCM) in Washington came to a close on the early morning of 9 October (Korea Standard Time) after adopting a flexible double-barreled carrot-and-sick strategy for security on the Korean peninsula and the Northeast Asian region.

The two-fold nature of the new strategy is apparent from the fact that the meeting stated that although the world's cold war structure is coming to an end with the collapse of the communist parties in the former Soviet Union and East Europe, threats to the local security on the Korean peninsula still remains due to the suspicions about nuclear weapons development by North Korea, among others.

The SCM joint statement says, "The United States and the ROK will maintain their U.S. security cooperation with a view to contributing to the improvement of inter-Korean relations and the attainment of the peaceful reunification of the Korean peninsula." This may be interpreted as meaning that the two countries will pursue a flexible security strategy under the aforementioned circumstances. In other words, this is the carrot side of the security policy based on the positive appraisal of the results achieved so far in the inter-Korean dialogues.

The ROK and U.S. defense policy authorities present at the just-ended SCM meeting shared the view that the 13 December (1991) North-South basic agreement and the 31 December (1991) North-South joint statement on denuclearization gave a major impetus to resolving the question of security on the Korean peninsula.

These officials said that the signing by North Korea of the nuclear safety agreement sponsored by the International Atomic Energy Agency (IAEA) and its acceptance of IAEA nuclear inspections was a favorable development which was worth recording.

This common perception of the ROK-U.S. defense authorities regarding the signs of peace on the Korean peninsula should not be interpreted as a relaxation of the deterrent power, however, and the SCM makes it clear that the flexible deterrence option (FDO) adopted by the ROK-U.S. Military Consultative Meeting (MCM) will be brought into play to bar such interpretation.

At the same time, the SCM reaffirmed the continued freezing of the plan for an additional reduction of U.S. forces in Korea, and this represents a kind of tough stance designed to highlight the warning that threats to the regional security on the Korean peninsula and Northeast Asia still exist.

Contrary to the general expectation that a decision would be made to resume Team Spirit military exercises in 1993, the SCM opted to withhold taking a categorical decision on this matter. This option seems to have stemmed from the "consideration" for refraining from doing anything provocative to North Korea by applying the carrot side of the double-barreled strategy. Originally, our Defense Ministry and Joint Chiefs of Staff had prepared a draft agreement providing that the Team Spirit exercises "will be conducted in 1993 as planned." But this draft provision was modified at the SCM meeting to read, "preparations for the 1993 Team Spirit exercises will proceed as planned," an expression indicating that a final decision was withheld.

This action is based on the judgment that while the two sides have the same view that pressures need to be applied in the face of the persistent suspicion that North Korea is developing nuclear weapons, the introduction of America's new FDO strategy will have the same effect as the resumption of Team Spirit exercises would have.

The agreement to return the peacetime operational control of the ROK forces to the Korean side by 1994 at the latest was a major result of the SCM meeting, but it has nothing to do with the underlying principle of the carrot-and-stick strategy.

The operational control of the ROK forces was entrusted to the UN Command and subsequently the ROK-U.S. Combined Forces Command (CFC) when the cold war confrontation between North and South reached its height following the outbreak of the Korean war. ROK generals wanted to have the operational control of the ROK forces returned by 1993. But contrary to their wish, the SCM agreed to delay the timing for reversion by one year, thus leaving one residue of the cold war still intact. This may represent the tough side of the new strategy.

The operational control of the ROK forces was originally entrusted to the UN Command in July 1950 during the Korean war, and it was subsequently transferred to the CFC in November 1978 when th CFC was inaugurated and ever since has been in the hands of the CFC.

At the SCM meeting, the two countries for the first time in 44 years agreed to return the peacetime operational control of the ROK Forces, except the wartime control, to the ROK side as an initial step, and this agreement is of historical significance.

Discussion of the question of returning the wartime operational control of the ROK forces will be possible only after a decision is made to revise or repeal the ROK-U.S. Mutual Defense Treaty signed in October 1953 and the agreement on the CFC.

The Defense Ministry plans to delay any discussion of the issue of returning the wartime operational control until the end of 1990's or thereabout.

The reason is that this issue is a matter that should be included in the subject matters of the joint study concerning the direction of ROK-U.S. security cooperation in the 21st century, one of the important items in the SCM agenda, because the issue directly relates to changing the basic ROK-U.S security relations and the nature of the U.S. Forces in Korea.

Emerging from the SCM meeting, a Defense Ministry policy planner said, "in peacetime as in wartime, the CFC draws up operational plans, conducts joint mobile exercises, and provides joint intelligence support to cope with any contingency, and there will be no change in the operational control exercised by the CFC." He thus stressed that the agreement on returning the operational control of the ROK forces will not result in the reduction of the basic duties of the CFC.

The FDO strategy adopted by the ROK-U.S. military authorities this time is regarded as epochal, with emphasis placed on the prevention of hostilities, while responding to the pressures in the two countries for a curtailment of their military budgets. Under this strategy, the size of the standing army and the scale of annual mobile exercises will be reduced, but mobile fast deterrence forces will be in operation to offset this reduction.

In the past there were a number of strategic concepts predicated upon a mobile response, such as fast deployment forces and the swing strategy, but all of them were primarily concerned with how to respond once a war breaks out.

On the contrary, the FDO strategy is aimed at preventing war beforehand by instantly deploying a fast deterrence force when the crisis mounts foreboding an impending war. In this sense the FDO represents a radical change in thinking.

The question remains how to judge that a given crisis has reached a point where the dispatch of a fast deterrence force is warranted, however. This depends on the criteria used to judge the intelligence information available.

A high-ranking intelligence officer with the Joint Chiefs of Staff disclosed that currently the ROK-U.S. joint information evaluation system uses 200 to 300 information items as the criteria of judgement in determining whether or not a given situation constitutes a crisis.

The FDO strategy is also meant as a precautionary measure to prevent any outside forces from erroneously concluding that the deterrence power of our two countries will be weakened in the period of political transition which will come late this year, when both the ROK and the United States will hold their presidential elections.

Concerning the outcome of the latest SCM meeting, the defense authorities of the two countries said that the meeting ushered in a new era in ROK-U.S. security cooperation by setting the timing for the return of the peacetime operational control of the ROK forces and discussing the direction that ROK-U.S. security cooperation should take in the 21st century.

[10 Oct p 5]

[Text] As a result of the timing for the return of the operational control of the ROK armed forces set at the 24th annual ROK-U.S. (SCM) meeting, it has become inevitable to discuss possible changes in the role of the U.S. forces in Korea and in the ROK-U.S. joint defense structure.

There is no difference of opinion or friction between the two countries over the current ROK-U.S. joint defense arrangement. But the ROK-U.S. joint defense arrangement needs to be revamped because it has remained unchanged over the past 44 years since it was created under the cold war structure. This opinion serves as the starting point of discussion.

According to this argument, there is no change in the basic role of the ROK-U.S. joint defense structure, but the outmoded arrangements under this structure need to be changed in keeping with the changes in the national prestige of the ROK and in the situation in its surrounding areas.

A glance at the joint defense arrangements in other countries shows that in the case of the NATO with the United States at its center, the commander of the allied forces exercises the operational control of local forces only in wartime.

Although it was defeated in World War II, Japan holds the peacetime operational control of its Self-Defense Forces [SDF]. But the wartime operational control of the SDF is entrusted to the U.S. Pacific Command, to which the U.S. Forces Japan belong.

So, it is argued that the ROK-U.S. joint defense structure should be converted to one similar to the two-prong joint defense strategic arrangements for Japan and the NATO. ROK generals point out that Korea is the only country where the peacetime operational control is entrusted to the combined defense forces, although the peacetime operation control of the ROK forces in the rear, including the 2d Army Command and the Capital Defense Command, is not in the hands of the CFC commander.

A ROK general said: "the commander of the U.S. Forces Japan is a lieutenant general, a rank equivalent to corp commander, whereas the U.S. Forces Korea is commanded by a four-star general, a rank equivalent to army commander, despite the fact that the both forces are under the control of the Pacific Command. This is anther reason that return of the operational control of the ROK forces is being delayed."

A high-ranking ROK officer (army lieutenant general) who has long been calling for the return of the operational control of the ROK forces made this admission: "our inadequate ability to acquire intelligence information and the low self-sufficiency rate in meeting our logistic needs are the greatest obstacles to recovering the operational control of our forces."

The low logistic self-sufficiency rate is the greater hindrance to the return of the operational control than the inadequate intelligence gathering ability.

We have produced Korean-made missiles and tanks, and now have a capacity to build submarines. But the self-sufficiency ratio in ammunition is less than 10 percent of the requirement.

Israel, Taiwan, and Saudi Arabia do not have their own munitions factories, but they meet their logistic needs on the strength of their exchange holdings and strong economies.

Their security conditions are similar to ours, but they are building a self-defense capability by developing intelligence gathering systems suitable to the prevailing situations in their respective countries, while relying on imports for the supply of munitions.

ROK generals argue that all this makes it necessary to realize the return of the operational control of our forces and the "modernization" of the ROK-U.S. joint defense arrangement, and makes a readjustment of the role of the U.S. forces in Korea inevitable. This argument is a natural concomitant of the collapse of the cold war structure, the changing U.S. military strategy, and the growth of the ROK national strength.

Of these, the most important factor is the review of the role played by U.S. overseas forces and the changing U.S. military strategy.

Sin Ki-pok, first assistant minister of the Foreign Ministry, who attended the SCM meeting as a member of the Korean delegation, said, "I felt that the U.S. security strategy is undergoing a great change."

One of the signs that the U.S. security strategy is at a turning point appeared in "The New Strategy in the Pacific and a Small-Scale Military Strength," a report released by the Rand Corporation on 15 September summing up the outcome of research conducted under a contract with the U.S. Defense Department.

The Rand report notes that the Nunn-Warner bill, which includes a plan for a reduction of U.S. troops in Korea, was adopted by Congress in November 1989, and subsequently in April 1990, the U.S. Defense Department prepared the report titled "East Asian Strategic Initiative [EASI]," which provides concrete execution plans for the Nunn-Warner plan. The Rand report points out that important changes have taken place particularly in the situation of Asia in the intervening two years, however, rendering it impossible to continue to implement the existing policies.

As examples of the important changes in the situation, the following are mentioned: the collapse of the former Soviet Union; the emergence of Japan as an economic and technological big power; the tendency of the world economy to split into blocs and the placing of priority on the economy in all countries; the political and economic confusion in the Asian communist countries; and the review of the relationships of alliance between the United States and countries in this part of the world.

On the basis of the analysis of the current situation, the Rand report recommends what it calls "proportional engagement" as a new strategy, as well as the maintenance of U.S. garrison forces of a basic size in the Asian-Pacific region.

On the basis of this analysis, the U.S. Defense Department has reviewed the report on the second-stage plan of the Nunn-Warner bill and has decided to use up to the proposed third-stage plan as a reference.

The FDO strategy as agreed upon at the SCM meeting has something in common with the "proportional engagement" recommended in the Rand report.

If the modification of the U.S. strategy for the Asian-Pacific region is based on the Rand report, there is the possibility that shifting of emphasis in the role of the U.S. forces in Korea from a "leading" to a "supportive" role will take more time than envisioned in the Nunn-Warner plan and the EASI. Nevertheless, the more important issue is a readjustment of the ROK-U.S. relationship of security cooperation, and how soon we will be able to achieve the "Koreanization" of ROK defense will depend on the result of this readjustment.

13 Oct p 9]

[Text] There was a navy ball sponsored by the U.S. Navy at Hyatt Hotel in San Francisco at noon on 11 October (Korea Standard Time).

It was an event commemorating the 500th anniversary of the discovery of the American continent by Columbus.

It was a mammoth party attended by 1,000 people, including Vice Admiral (?Unruh), commander of the 3d Fleet, U.S. Pacific Command, and other U.S. navy officers, and the navy delegations from Korea, Japan, Portugal, and other friendly countries.

Also present at the ball were the training group of the ROK Naval Academy senior class (47th). They had entered San Francisco Port aboard the home-built escort vessels Chungnam-ho and Masan-ho after leaving Korea on 14 September for an around-the-world shakedown cruise.

An intelligence officer (captain) of the U.S. Pacific Fleet accosted Commodore Yun Kwang-ung, commander of the training detachment.

The American officer asked, "Why does the ROK not take the initiative and stage joint naval exercises with Malaysia, Indonesia, the Philippines, and other countries?"

The ROK commodore responded, "we regularly conduct RIMPAC joint naval exercises with the United States, Japan, Canada, and Australia, and someday we will stage joint exercises in sea control with maritime countries in Southeast Asia."

Commodore Yun was asked the same question by U.S. Navy officers when he visited the USS Blue Ridge, the flagship of the U.S. 7th Fleet, last month during the Focus Lens exercise.

A U.S. admiral said to him, "The ROK Navy now has submarines and is going to have even P3 anti-submarine patrol boats in the near future. It seems that the time has come when the ROK Navy should think over its role in the Pacific."

The U.S. Navy maintains a "formidable strength" greater than all the navies of all other countries in the world combined.

Because of the basic objective of maintaining the world's foremost naval power, American generals are at heart against beefing up the navies of the countries where U.S. forces are stationed, although they are urging these host countries to strengthen their ground forces.

Seeing it impossible to maintain forever a negative attitude toward the desire of the U.S. allies to bolster their naval strength, American generals are showing an interest in the efforts of the allies to beef up their naval strength, from the standpoint of readjusting the role of these allies in security cooperation.

The reason people attach an epochal significance to the latest SCM meeting is that the meeting agreed that it is inevitable to readjust ROK-U.S. security cooperation in the 21st century.

In the 8 September SCM joint statement, the two countries declared: "in the future the bilateral relationship between the ROK and the United States will gradually develop into a partnership in a more comprehensive political and economic security arrangement, based on cooperation on the Korean peninsula as well as on regional and global cooperation."

"Cooperation on the Korean peninsula as well as regional and global cooperation," as referred to here means that the two countries will move into a partnership in dealing with the situation in Northeast Asia and the Asian-Pacific region and in world politics from the current stage of security cooperation, which is aimed at North Korea.

At the SCM meeting, the two sides agreed to have the Joint Defense Policy Review Committee conduct a joint study on medium and long-range tasks and report the findings of the study back to the 1994 annual SCM session. The committee is chaired jointly by Kim Chae-chang, chief of defense policy, Ministry of National Defense; and (?Findlay), deputy assistant secretary of defense, U.S. Department of Defense.

In this connection, a Defense Ministry policy planner said, "when they spoke of the 21st century, they had a reunified Korea in their minds," adding, "the new defense policy means that the policy will deal with our defense strategy in anticipation of that contingency."

The same official said, "the security of a reunified Korea will be all the more difficult to maintain because it will have to deal with the neighboring Big Four." "Judging from our geopolitical position and historical experience," he added, "invariably there will be a limitation to our self-defense capability; and the United States is the only country that can be our cooperative partner in joint security to compensate for that limitation."

It is the view of our defense planners that the United States needs a reliable ally in Northeast Asia and the Asian-Pacific region because it seeks to maintain its military leadership while reducing its military strength.

The United States feels that Japan is becoming a liability because Japan is not only a rival in science and technology but also is even venturing to expand its armament. In addition, the United States closed its Clark Air base and continues to have unpleasant experiences in that region because of the pressure for higher utilization fees for the U.S. naval base in the Subic Bay, among others.

A concerned ROK field official in the United State noted that in view of these experiences, some Americans fear that a unified Korean peninsula might become as a new obstacle to the U.S. security policy in this region.

According to the same official, if under these circumstances South Korea should fail to convince the Americans that the ROK is their steadfast ally, the possibility cannot be ruled out that the United States will unexpectedly become an obstacle to the process of reunification.

As a matter of fact, the Rand report submitted to the U.S. Defense Department last month points out, "the growing national strength engendered by the increased economic power may give rise to a nationalist tendency and lead to the rejection of the stationing of U.S. forces." The report prognosticated that "the process of reunification of Korea will bring a far greater confusion to that region than in the case of the reunification of Germany."

The Rand report further warns: "The emergence of an economically strong Korea may usher in a new age of competition in place of the tensions in the cold war era."

Our idea presumes that for security on the Korean peninsula in the 21st century, Korea will play a leading role with the United States playing a supportive role as a balancing force; and for security in the Asian-Pacific region, the United States will play a leading role with the cooperation of Korea.

Whether this idea will materialize or not is a moot question because of the anti-ROK sentiment in the United States and within the Asian-Pacific alliance, including the U.S.-Japan alliance.

* Impact of Restoring Diplomatic Ties With PRC

932C0024A Seoul PUKHAN in Korean Oct 92 pp 52-61

[Article by Yu Sok-yol, professor at the institute of Foreign Affairs: "ROK-PRC Normalization and PRC-North Korean Relations"]

[Text]**ROK, PRC Sign Normalization Agreement**

South Korea and China have exchanged statements on normalization on 24 August 1992, thereby restoring their formal diplomatic relationship for the first time since they were severed when Korea lost its sovereignty under the Japanese occupation.

At a historic ceremony held at the Junyutai guest house on that day, the visiting ROK Foreign Minister Yi Sang-ok and PRC Foreign Minister Qian Qichen signed the "joint statement on establishing diplomatic relations between the ROK and the PRC." This joint statement deserves attention because it spells out a policy determination concerning not only the whole spectrum of future ROK-PRC relations but also the future of Northeast Asia.

The six-point joint statement said that the ROK and the PRC agreed to recognize each other and establish diplomatic relations at the ambassadorial level as of 24 August and exchange ambassadors at an early date. The two countries declared that they will "develop lasting relations of good-neighborliness and friendship and cooperation on the basis of the principles of the UN

Charter, respect for each other's sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence."

In the statement the ROK agreed to recognize the PRC Government as the sole lawful government of China and respect the Chinese stand that there is only one China, and Taiwan is part of China, thereby making it clear that the diplomatic relations between the ROK and Taiwan will be severed. The statement said that the two countries "are convinced that the establishment of diplomatic relations between the two countries will contribute to detente and stability in the situation on the Korean peninsula and peace and security in Asia." "The Chinese government," the statement said, "respects it as the cherished desire of the Korean people to achieve an early, peaceful reunification of the Korean peninsula, and supports the idea of reunifying the Korean peninsula by the Korean people through a peaceful means."

Significance, Background of ROK-PRC Normalization

Significance

The establishment of diplomatic relations between the ROK and the PRC is of great significance in many respects. First, it signifies a change in the PRC position on the Korean question. China used to fully support the North Korean position that there is "only one Korea." Following its support for the simultaneous UN entry of North and South Korea last year, China has now reaffirmed internationally that another lawful governments exist on the Korean peninsula. This is to say that our government's realistic policy of "two Koreas" based on the realities of international politics has been approved ultimately.

This means that as far as the question of the Korean peninsula is concerned, the ROK Government position—the position that the two political entities on the Korean peninsula should achieve national reunification by going through a period of peaceful coexistence in accordance with the principle of self-determination—has eventually come to be established as an inviolable principle.

Second, the establishment of diplomatic relations between the ROK and the PRC means the completion of the second stage of the nordpolitik our government has been pursuing, and in this sense the normalization has drastically widened the scope of our diplomacy. The first stage of the nordpolitik was wound up with the establishment of diplomatic relations with Albania on 22 August 1991. The second stage has just been completed with the establishment of diplomatic relations with China, following the establishment of diplomatic relations with the Soviet Union, the two major goals in that stage. The third-stage goal is to promote the opening up of North Korea on a full scale.[2]

Third, the Sino-ROK normalization will serve as a momentum for bringing about a radical change in the situation in Northeast. The ROK and the PRC have laid the groundwork for cooperation in the Asian-Pacific region; and a radical change is expected in the role of Japan in Northeast Asia as well as in the PRC-North Korea relationship and the ROK-Taiwan relationship.

Fourth, the Sino-ROK normalization is significant in that it will provide a momentum for bringing about a major turning point in the development of inter-Korean relations. Against the backdrop of China's partial, biased support, North Korea has thus far behaved unreasonably toward South Korea. But given China's objective appraisal of the situation on the Korean peninsula, North Korea is now expected to become more reasonable in its dialogues with South Korea. North Korea is expected to become more conciliatory on the issue of mutual inspections of nuclear facilities in the North and the South. That will bring about an important turning point in to inter-Korean relations.

Background

The reason that the ROK-PRC normalization has come about much sooner than expected is, among others, that the two governments, recognizing the necessity of normalization, made long preparations and efforts behind the scenes for its realization. In fact, Sino-ROK contacts for normalization began in early 1992 when diplomats from the two sides discussed the matter. But neither side readily stepped forward. Meanwhile, the foreign ministers of the two countries held their third round of talks during the UN Economic and Social Commission for Asian and Pacific [ESCAP] meeting in April 1992. During that talk the two agreed that "for the sake of peace in Northeast Asia and common prosperity in the Asia-Pacific region, the two countries need to establish diplomatic relations." From then on the two countries carried out full-fledged negotiations for normalization.

Originally, Chin took the position that it would consider the question of establishing diplomatic relations with the ROK after North Korea and Japan normalized their relations. But recently, seeing the signs that the Japan-North Korea negotiations for normalization would drag on indefinitely, China intimated that it would normalize its relations with the ROK before North Korea and Japan normalized their relations, saying that there was no particular precondition for Sino-ROK normalization.

The following is an analysis of the background against which China made this shift in its stand on the question of normalizing its relationship with the ROK.

First, in view of the changing situation in Northeast Asia, China came to conclude that Sino-ROK normalization could not be delayed any further. China seems to have figured out that Sino-ROK normalization would add impetus to North Korea-Japan normalization talks and improvement in North-Korea-U.S. relations, eventually creating a more favorable condition for North Korea.

Second, China must have thought of resolving the Korean question by giving North Korea, which refuses to be a member of the comity of nations, the lesson of ROK-PRC normalization. It is possible that China hastened its decision on Sino-ROK normalization in order to give North Korea a lesson so that it might show a more positive attitude toward the issue of allowing mutual inspections of North and South Koran nuclear facilities, the settlement of which is a precondition for the improvement of inter-Korean relations, for the realization of North Korea-Japan normalization, and for the improvement of North Korea-U.S. relations.

Third, greatly shocked by Nigeria's establishment of diplomatic relations with Taiwan this past July at the risk of severing its diplomatic relations with the PRC, China must have played its normalization-with-the-ROK card to cushion the impact of the Nigerian move. Before Nigeria, seven countries had already restored their diplomatic relations with Taiwan since July 1989, thanks to Taiwan's diplomacy bolstered by economic assistance.

Taiwan staged a diplomatic offensive not only on economically backward African countries but also on East European countries. More recently, in a foreign policy white paper Taiwan set it as its foreign policy goal to restore its U.N. seat. The PRC has established diplomatic relations with the ROK because it found it necessary to hold in check this "diplomatic offensive" on the part of Taiwan.

Fourth, the Sino-ROK normalization was prompted by economic reasons. China felt all the more keenly the need for economic cooperation with the ROK in promoting reform and openness, following Deng Xiaoping's southern lecture tour. China was greatly encouraged by the increasing trade volume between the two countries since they signed the trade agreement and the investment guarantee agreement. Apparently, China hastened to establish diplomatic relations with the ROK as it found many obstacles, particularly to cooperation in the Asia-Pacific region, because of the absence of normalization with the ROK.

Fifth, diplomatic consideration was another reason. It must have been the Chinese calculation that it would not do any good to delay normalization with the ROK, considering the fact that President No Tae- u, strongly in favor of Sino-ROK normalization, was scheduled to retire in February 1993, and that Clinton, the Democratic presidential candidate of the United States, promised to make the human rights issue in China a subject of discussion if he was elected.

Impact on Surrounding Area

Change in Situation in Northeast Asia

With the normalization of their relations, the ROK and the PRC have brought an end to the cold war structure in Northeast Asia, the last vestige of the cold war era; have formally liquidated their hostile relations of the cold war era; and have become able to look for a common role in achieving a lasting stability in the international order in Northeast Asia. In other words, we have laid the groundwork for a permanent framework for stability on the Korean peninsula.

With the establishment of diplomatic relations with the ROK as a momentum, China is expected to strengthen its ties with the ROK and pursue equidistant diplomacy toward North and South Korea by putting an end to its past estrangement from the ROK and doing away with its hitherto biased attitude in favor of North Korea. China is thus expected to free itself from its ties with North Korea to some extent.

In respect to the balance of power and the economic order in the Northeast Asian region, which are in a period of revamping as a result of the end of the cold war, the normalization of relations between the ROK and the PRC, to all intents and purposes, has paved the way for appropriately preventing Japan from leaving the rest far behind. China has become able to expand its influence in Northeast Asia, particularly on the Korean question. Among the Big Four surrounding the Korean peninsula, Russia and China have diplomatic relations with both North and South Korea. But unlike Russia, which has virtually no Asian policy due to its preponderant concern for internal problems, China has become able to exercise the strongest influence on both North and South Korea.

It is expected that the normalization of relations between the ROK and the PRC will put the North Korea-PRC relationship on a more reasonable basis in the future, and that in the relationship between the ROK and Taiwan, although it plunged virtually into a state of severance immediately following the normalization of Sino-ROK relations, close private-level exchanges will increase in the long run. The ROK-PRC normalization has provided North Korea with a favorable condition for moving closer to Japan and the United State. On the other hand, North Korea will be pressed harder still not only by the United States and other Western countries but also by China to abandon its nuclear bomb development plan.

In the event North Korea makes a positive response, there will be a cross-recognition of North Korea by the Big Four, and this will greatly contributing not only to the relaxation of tension and the perpetuation of peace on the Korean peninsula but also to achieving peace and stability in Northeast Asia. In addition, the cross-recognition will open up the possibility of achieving the 2 + 4 arrangement including Japan.

In the past Japan in some respect played a mediatory role between the ROK and the PRC, but his role is destined to diminish as a result of the normalization of ROK-PRC relations. If in the future the ROK leans more toward the PRC depending on issues, Japanese diplomacy in Northeast Asia may be found more burdensome than before.

Under these circumstances it is expected that Japan will actively seek for the recovery of its influence on Northeast Asia in the future by coming out with the idea of a new collective security arrangement, and show a change in its attitude toward the normalization talks with North Korea. As a long-term task, Japan has studied the idea of building an Asian security cooperation body patterned after the Conference on Security and Cooperation in Europe (CSCE). The establishment of diplomatic relations between the ROK and the PRC will be helpful to realizing the idea of multilateral security cooperation by obliterating the last vestige of the cold war structure in Northeast Asia.

Change in North Korea

The ROK-PRC normalization will give an impetus to bringing about changes in North Korea. China was partial to North Korea In the past, but it has become impossible for North Korea to expect the same partiality from China from now on. That is why North Korea has no alternative but to change.

As a result of the ROK-PRC normalization, North Korea will be faced with added difficulties, difficulties such as worsening economic hardship, mounting international isolation, and sagging unity among its people. For this reason, quite naturally, the ROK-PRC normalization has been such a great shock that North Korea must have felt that its system was in danger. North Korea's shock had to be great because it had consulted with China and wholly relied on it in every issue, regarding it as the suzerain state of socialism, since the Soviet Union was disintegrated.

North Korea reacted prudently to the ROK-PRC normalization by keeping silence for a while, however, while countering it with an ideological armament campaign among its inhabitants. There were reports that the PRC Government will invite North Korean President Kim Il-song and Kim Chong-il to China in order to demonstrate at home and abroad that there is no change in the Sino-North Korean friendship despite the establishment of diplomatic relations between the PRC and the ROK. In fact, the PRC Government made it clear that China would not forsake North Korea, just as the ROK has forsaken Taiwan, because of the normalization of its relations with South Korea, and that the ROK-PRC normalization would in no way affect the friendly relationship between the PRC and North Korea. Nevertheless it is highly possible that China's influence on North Korea will diminish in the future.

In the short run North Korea will step up the ideological education and control of its people and attach importance to tightening its grips on its people for the purpose of preserving its institutions, by playing up "the superiority of our own type of socialism." But it is expected that the pragmatic proponents of openness in North Korea will before long consolidate their position and come out with a call for gradually opening up out of the necessity to preserve the North Korean ruling structure. Moreover, it is highly possible that information on the realities in South Korea which will from now on flow into North Korea through China, as well as the tide of capitalism, will cause a great weakening in the North Korean Government's ability to control the North Korean populace and spur the demand from the grassroots for reform and openness. On the other hand, there is a still greater possibility that feeling a keener sense of isolation due to the Sino-PRC normalization, North Korea will take active measures to improve its relations with the United States and Japan. On 25 August, the day after the ROK and China established diplomatic relations, North Korea in a move for reconciliation proposed to the United States that the two countries improve their bilateral relations .

Currently, the greatest obstacle to improvement of North Korea's relationships with the United States and Japan lies in North Korea's nuclear bomb development issue. The United States and Japan have made it clear that they will not move forward to improve their relationships with North Korea unless Pyongyang agrees to mutual inspections by North and South Korea of each other's nuclear facilities and proves that it has no intention of developing nuclear bombs. Accordingly, it is highly possible that NOrth Korea will respond by changing its stand on the nuclear issue.

In fact, a high-ranking Beijing diplomatic source disclosed that shortly before China and the ROK established diplomatic relations, North Korea had promised to China that it would abandon the development of nuclear bombs.[3] Moreover, a Japanese international intelligence source prognosticated that North Korea will agree to mutual inspections of nuclear facilities in the North and the South and allow open inspections of Korean People's Army [KPA] bases in adaptation to the changing situation, including the establishment of diplomatic relations between the ROK and the PRC.[4]

In brief, chances are higher than ever before that in the aftermath of the Sino-ROK normalization, North Korea will change its foreign policy after going through a temporary exploratory period out of the necessity of ending its international isolation and overcoming its economic difficulties.

Change in Inter-Korean Relations

The ROK-PRC normalization will have a very positive impact on inter-Korean relations as well.[5] It also has the historical significance in that with it the last obstacle to the peaceful reunification of the Korean peninsula has been removed. The ROK and the PRC agreed on such expressions regarding the Korean peninsula as "nonaggression against each other" and "an early peaceful reunification of the Korean peninsula" and spelled them out in the six-point joint statement. As a result, all of the Big Four now agree on the reunification of the Korean peninsula in principle.

North Korea is repeating in various subcommittee meetings the same demands—demands for the withdrawal of

U.S. forces from Korea, the release of South Koreans imprisoned on charges of illegal visit to North Korea, the repeal of the National Security Act, and so forth—that it originally agreed to withdraw when the North-South basic agreement was adopted in February. While showing an insincere attitude toward implementing the basic agreement, North Korea is refusing to accept our demand for mutual inspections of each other's nuclear installations, aimed at clearing the suspicion that it is developing nuclear bombs. As a result, inter-Korean relations are currently at a stalemate to all intents and purposes.

In the aftermath of the ROK-China normalization, North Korea once again has come to experience worsening economic hardship, international isolation, and sagging unity among its people. In addition, even China is expected to demand strongly that North Korea agree to North-South mutual nuclear inspections for the sake of peace and stability on the Korean peninsula. Accordingly, North Korea might show a rigid attitude in the short run to protect its ruling structure. But by and by it will be compelled to take a conciliatory stance toward the nuclear bomb development issue by agreeing to mutual inspections on a limited scale.

In fact, according to American and Japanese intelligence sources, North Korea, finding it difficult to continue with the nuclear weapon development plan any further, actually abandoned it late last year in an attempt to expand economic cooperation with the West. According to the same sources, if North Korea is assured of preserving its institutions and given access to the West in return for a halt to its nuclear weapon development plan—which is opposed by world public opinion and closely watched by the whole world and not welcomed even by China—there is no reason why North Korea should reject such assurance and access.[6]

In the event North Korea shows a positive attitude toward settling the nuclear issue, it will avoid international isolation through the normalization of its relations with Japan and the improvement of its relations with the United States, and the way will be paved for economic cooperation between North and South. When this happens, inter-Korean relations will be improved, and North Korea is expected to show a positive attitude toward the issue of allowing families separated between North and South to visit their hometowns in order to create a favorable condition for establishing diplomatic relations with the United States and Japan.

On the other hand, given the normalized relations between South Korea and China, there is the possibility that if the International Atomic Energy Agency [IAEA] concludes that "there is no imminent North Korean nuclear threat," the United States will take the position of coming to terms with North Korea, instead of adhering to the demand for mutual inspections, even though North Korea is not completely cleared of the suspicion that it is developing nuclear bombs.

In the past North Korea staged adventures against the South by riding on the back of China and the Soviet Union, the suzerain states of socialism. But the changing circumstances demand that North Korea abandon such an adventurous attitude and seek a more reasonable policy. In the event North Korea abandons its line of revolution and ideology and seeks a more reasonable and pragmatic line, North and South Korea will carry out dialogues and contacts more seriously for the sake of national reunification.

If North Korea establishes diplomatic relations with Western countries and improve its relations with them in the wake of the ROK-PRC normalization, the North Korean society is bound to open up, and the North Korean people will no longer tolerate the one-man dictatorship and personality cult in North Korea as their consciousness of freedom and democracy strengthens. In the long run North and South Korea will come to make concerted efforts to build a united democratic welfare state dedicated to liberal democracy.

Red China's influence on North Korea was practically nil in the 1945- 1950 period. Absorbed in prosecuting the civil war against the Kuomintang and establishing a communist regime, China could not afford to direct attention to North Korea. In those days North Korea strongly needed Sovietization in order to establish a communist regime and make preparations for the invasion of South Korea. Accordingly, until the Red Chinese troops directly intervened in the Korean War, there had been no Chinese influence whatsoever on North Korea and only Soviet control existed.

Past, Present, Future of Sino-North Korean Relations

Past, Present Relations

The decisive Chinese support for North Korea during the Korean War and the stationing of Chinese troops following the conclusion of the Armistice Agreement until 1958 naturally augmented the Chinese influence on North Korean politics. In this period North Korea supported and imitated China's economic policy and its anti-West hard line, while maintaining a critical attitude toward the Soviet Union. North Korea and China stuck fast to each other from 1963 on through exchange of visits by their heads of state. But Sino-North Korea relations entered a period of discord in 1965 when North Korea began to reevaluate China's ability to provide economic assistance and the scope of Chinese assistance in helping North Korea make a diplomatic advance into the Third World, against the backdrop of the Soviet offer of military aid, nuclear protection, and economic assistance. In those days China was in the height of the tumultuous cultural revolution, and Red Guards berated Kim Il-song as a "millionaire, aristocrat, big bourgeois." This antagonized North Korea, resulting in considerable differences of opinion over the policy lines between the two countries.

When the Sino-Soviet border dispute aggravated in 1969, North Korea advocated the so-called independent line biased to neither side, but in reality, leaned somewhat toward China. In those days China brought the cultural revolution to an end and stepped up normal diplomatic activities, and paid attention to mending its relations with North Korea. Stimulated by the communization of Vietnam, Kim Il-song visited Beijing in April 1975 because he had more to expect from China than from the Soviet Union. However, from the latter part of 1978 when the United States and China came to terms with each other and Japan and China signed a peace agreement, Sino-North Korea relations once gain began to show signs of cooling.

China's 1978 armed invasion of Vietnam made North Korea feel suspicious of and dissatisfied with China. At a time when the Sino-U.S. rapprochement made North Korea uneasy, the Soviet Union expressed a strong desire to improve its relations with North Korea. As a consequence, Sino-North Korea relations became strained. Eventually North Korea and China came to clash with each other over their different policies toward the United States and their different institutions and lines. China's indirect trade with South Korea became a major factor that drew North Korea and China further apart.

PRC Premier Zhao Ziyang's Pyongyang visit in December 1981 was a clear demonstration of the need for China to hold North Korean's pro-Soviet tendency in check and warn North Korea against it. Later China and North Korea gradually narrowed their differences over their U.S. policies and the issue of bequeathing power to Kim Chong-il, resulting in a rapid increase in Chinese economic and military aid to North Korea.

The frequent exchange of visits between the highest authorities of North Korea and China since 1982 greatly contributed to improving the ties between the two countries and eventually welded them together. China and Korea were brought closer by these developments: Party General Secretary Hu Yaobang's Pyongyang visit in May 1945 [as published]; the visit to China by North Korean Premier Kang Song-san and Foreign Minister Kim Yong-nam in August; the dispatch of large North Korean economic delegations to the special economic zones in Shenzhen and Dalian in China; and the enactment of the North Korean "Joint Venture Law" modeled after the "Chinese-Foreign Contractual Joint Ventures Law"; and Sino-North Korea summit meetings which became routine. On the other hand, Sino-Soviet relations also became gradually closer since 1984 as the two countries strengthened their military ties.

Following the exchange of trade offices in April 1989, South Korea and the Soviet Union exchanged consular offices in February 1990, and established diplomatic relations on 30 September 1990. Russia, which succeeded the former Soviet Union after its disintegration in the wake of the collapse of socialism in East Europe, has continually pressed North Korea to open up, incurring North Korea's profound dissatisfaction. On the contrary, China and North Korea were brought closer as China, the suzerain state of socialism replacing the former Soviet Union, pursued a policy designed to protect the North Korean institutions, while applying a limited pressure for opening up. North Korea joined the United Nations with Chinese support; it participated in inter-Korean dialogues, which culminated in the signing of the North-South basic agreement.

The establishment of Sino-ROK diplomatic relations in August 1992 was a great shock to North Korea, which has relied wholly on China since the disintegration of the Soviet Union. The ROK and the PRC agreed to strengthen their relations of good-neighborliness and friendship according to the principles of "mutual nonaggression and noninterference in each other's internal affairs." The two countries also agreed in principle that the contents of the 1961 Sino-North Korean treaty of mutual defense and assistance will be reinterpreted. China declared that in the future, as in the past, it will maintain friendly ties with North Korea. North Korea is reacting prudently with silence.

Prospects of Sino-DPRK Relations After Sino-ROK Normalization

Apparently, North Korea was prepared for the Sino-ROK normalization because unlike the ROK-Soviet normalization and the dissolution of the Soviet Union, the Sino-ROK normalization had been anticipated all along. In fact, immediately after the news of the Sino-ROK normalization was out, a high-ranking North Korean Workers Party official and several other officials concerned with policy toward Japan said, "As far as our foreign policy is concerned, we were ready for that eventuality, and we will cope with it in a realistic manner." "When President Kim Il-song visited China last fall," they add, "he was fully briefed on the progress in Sino-South Korean relations." In this way the attitude of these officials was indicative of their understanding of the Chinese position. While China is expected to pursue equidistant diplomacy toward North and South Korea, North Korea will try to maintain friendly ties with China. North Korea needs Chinese assistance more than ever before as it agonizes much, caught between the two conflicting goals of improving its relations with South Korea and foreign countries and overcoming the economic difficulties at home on the one hand, and of preserving its ruling structure on the other hand.

Obviously, China needs North Korea's role in the process of establishing a new order in the northeast Asian region. On 25 August the Communist Party General Secretary Jiang Zemin said, "the normalization of South Korea-China relations was quite natural, for it followed the tide of the times." Referring to Sino-North Korean relations, he sad, "I expect that the two countries, with their ties forged with blood, will be able to live up to historical expectations."[8] This he reaffirmed that China will continue to maintain its friendly ties with North Korea.

To help North Korea overcome its shock from the Sino-ROK normalization as soon as possible, China will more forcefully press the United States and Japan for an early establishment of diplomatic relations and improvement of their relations with North Korea. During his 24 August meeting with Makoto Tanabe, the visiting chairman of the Japan Socialist Party, PRC Vice Premier Wu Xueqian asked Japan to hasten to improve its relations with North Korea. On 25 August General Secretary Jiang Zemin also said, "I hope that Japan-North Korea normalization and U.S.-North Korea rapprochement will be realized in the future." Thus he hoped that the United States and Japan will recognize North Korea.

Even though North Korea was prepared, the ROK-PRC normalization was a tremendous shock to North Korea. That is why North Korea has come out to drive home the importance of independence and the unique North Korean type of socialism to the North Korean people, while keeping silence about the ROK-PRC normalization. The 22 August NODONG SINMUN editorial said, "only when we build our own type of socialism, the better socialism loyal to the spirit of independence and centered on the masses in this land, will we be able to resolutely block and frustrate the anti-socialist behavior of the imperialists." Furthermore, North Korea suddenly banned Chinese from entering its territory beginning on 25 August, the day after the Sino-ROK normalization. This indicates that despite the Chinese assertion that there will be no change in China's policy toward North Korea, it will be difficult to maintain the same level of friendship between China and North Korean as existed before the Sino-ROK normalization.

Footnotes

1. CHOSON ILBO, Aug 24, 1992. [Footnote 1) sign not found in the text]
2. Foreign Minister Yi Sang-ok also said, "the ultimate goal of the nordpolitik is to achieve peace and stability on the Korean peninsula and lead to the reunification of Korea through improvement in North-south relations." CHUNGANG ILBO, Aug 26, 1992.
3. CHUNGANG ILBO, Aug 26, 1992.
4. CHUNGANG ILBO, Aug 25, 1992.
5. On 24 August Korea Gallup Institute conducted a public opinion poll on the ROK-PRC normalization at the request of the Ministry of Culture and Information. A total of 800 men and women of 20 and over throughout the country except Cheju Island were polled over the phone. In the poll 85.0 percent of the respondents said the normalization was "a good thing"; and 72.8 percent said it will have a positive impact on North-South exchanges. In the poll, 79.0 percent said the ROK-PRC normalization will in the long run contribute to hastening the reunification of Korea; and 76.3 percent said the normalization will also have an impact on North Korea's relations with the United States and Japan.
6. CHUNGANG ILBO, Aug 28, 1992.
7. MAINICHI SHIMBUN, Aug 25, 1992. [Footnote 7 sign not found in the text]
8. KYODO TSUSHIN, Aug 25, 1992

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* Japan Seeks Role in Regional Unification

932C0018A Seoul TONG-A ILBO in Korean 3 Oct 92 p 5

[By SNU Professor Sin Yong-ha: "Japan's Ambition To Establish a 'New Greater East Asia Co-Prosperity Sphere'"]

[Text] Japan sent an advance team of its Self-Defense Forces (SDF) to Cambodia in September and will send its main force this month, according to the United Nations Peace-Keeping Organization (PKO) laws that have recently been passed in June 1992. Myong Sok-kang, chairman of the temporary administration for Cambodia, has mentioned earlier that Cambodia, Miyanma, Kashmir, and the Korean peninsula are potential nations where the Japanese SDF would be sent. Japan at least includes Korea and the Korean peninsula among the potential nations that its SDF would be sent to.

For what purpose is Japan vigorously pursuing such a policy? The major reasons are clearly indicated in the statements that were submitted to the prime minister on 13 September 1991, together with the PKO bill, by the "special committee on Japanese roles in the international community" chaired by Sotaikillang.

The major reasons consisted of five items. First, the world after the end of the cold war will be led by the seven industrialized nations, and will eventually be led by three groups headed by: the U.S., the European Community (EC), and Japan. Secondly, Japan accordingly should try to exercise its political influence, comparable to its economic influence, to the international society. Thirdly, in order to achieve this, Japan should be a permanent member of the UN Security Council. Fourthly, the Japanese SDF should be sent to UN's multinational forces. Finally, Japan should play a leadership role in regional unification of the Asian nations.

In other words, the PKO bill is part of the effort to establish a national policy to exercise political influence corresponding to its economic influence in encompassing Asian nations into the Japanese influence sphere. In easy terms, Japan would like to pursue a policy toward Asia by establishing a kind of a "new greater East Asian sphere for mutual prosperity."

What will the new greater East Asian sphere, that Japan is actively pursuing since the beginning of this year, be like? It is clearly a Japanese economic sphere. Japan is reorganizing Asia into its economic sphere. The member nations of the EC have similar developmental status with per capita income of $18,000 to $23,000. These nations can achieve a greater economic prosperity when they economically cooperate as a bloc.

On the other hand, there is greater economic disparity and developmental status among Asian nations, ranging from Cambodia with per capita income of merely $130 to Japan whose per capita income is $25,000. When these nations constitute an economic bloc, they will be economically subordinated by Japan, and the member nations will end up being a Japanese economic bloc.

There are slight geographical differences in the pattern that Japan is adopting to make a new greater East Asian mutual prosperity sphere. Toward the Southeast Asian nations with low wages and low income, Japan is reorganizing these nations as the Japanese production basis by constructing Japanese factories with its capital and technologies. In particular, some of these nations, including Malaysia, Indonesia, and Thailand, are rapidly becoming part of the Japanese economic bloc.

What about Korea? Since 1989, Japanese capital and technologies invested in manufacturing has been rapidly decreasing. These capital and technologies invested in Korea are moving to other Southeast Asian nations. On the other hand, Japanese capital invested in the areas of distribution and services has been rapidly increasing since 1990.

This is a proof that indicates a change in policy toward Korea from investing in manufacturing to investing in making Korea its market place for Japanese products. South Korea, with a per capita income of $6,500 and with a population of 42 million, is considered by Japan the best comsumers' market for Japanese goods, compared to other poor nations in Asia.

The focus in recent changes in relations between Korea and Japan lies here. Japan, while reducing the capital invested in the manufacturing area in Korea and holding back technology transfer, is actively trying to include Korea as part of its economic bloc by subordinating Korea as its market place. As a result, Korean policy to reach the status of an industrially advanced nation by the year 2,000 by greatly enhancing the manufacturing area has started to clash in various places with the new Japanese policy toward Korea to make Korea its market.

Recent collapses of many small and medium-size businesses, which have maintained their competitiveness in the international market until recently, is directly related to Japanese dumping of its products for one-third of Korean prices for similar products produced in Korea. Japan is pursuing maximization of long-term, rather than short-term, profits by expanding its market share in Korea, and is pursuing a subordination of the Korean economy.

Under such a circumstance, there is no reason why Japan would transfer its technologies, that Korea has been crying for. On the other hand, Japan may increase its effort to open the distribution market in Korea. At Japan's request, Korea opened its distribution market, including even direct sales, in July 1991, and allowed unrestricted activities of Japanese trading companies in Korea in June 1992.

Of course, there is no guarantee that Japan will achieve its goal of establishing a new greater East Asian mutual prosperity sphere. It is because other Asian nations will establish their own policies in response to Japanese efforts. It can be said that the opening of diplomatic relations between Korea and China partially reflects the concerns of both Korea and China over the Japanese attempt to grip the hegemony in Asia and to establish an economic bloc.

Japan has been exporting low-level corrupt culture, that can be by no means considered a cultural exchange based on friendship. Even though it is obvious that samurai movies will dominate, Japan has been requesting Korea to open the foreign film market. Recently, the Japanese prime minister suggested the establishment of a group security system in Asia and in Northeast Asia. Even before the Soviet Union collapsed, there was no such group security system. Why, after the Soviet Union collapsed, would other Asian nations join in the establishment of a group security system comparable to NATO and be under the military influence of Japan that has high-tech weapons? Such a suggestion is considered to be aimed at making Asian nations military as well as economic subordinates.

Only if we reinforce our national consciousness with a historic perspective at a time of rapidly changing world order, can we survive the severe international competition and move forward. Once we become subordinated by Japan, Korea cannot become an advanced nation.

Government Officially Announces 18 Dec Elections

SK2011015792 Seoul YONHAP in English 0138 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—The government on Friday officially set Dec. 18 as the date for the election of the nation's 14th president, allowing the presidential candidates and their parties to begin campaigning among voters.

In a statement issued for the occasion, Prime Minister Hyon Sung-chong said the government will mete out stern punishment on anyone who evades or violates the presidential election law regardless of their station in society.

In order to carry out a fair election, President No Tae-u took the unprecedented move to leave the ruling party and form a neutral cabinet, Hyon said. Since his cabinet was formed, the government in cooperation with the central election management committee has been cracking down on illegal electioneering.

The government was also taking all possible measures to prevent involvement in campaigns by officials, Hyun said.

A fair election, however, cannot be carried out by government efforts alone, Hyon said. It can be realized only when presidential candidates, their parties as well as ordinary voters take part in the election with renewed awareness and determination.

Only a clean and fair election could bestow legitimacy on the newly elected president and enable his government to earn the people's trust, the prime minister said.

Yun Kwan, chairman of the central election management committee, urged candidates, parties, government officials and all voters to make the election a turning point for fair elections of the future.

Yun said one of the major reasons that past elections were unlawful, corrupt and controversial was disregard of the election law by the candidates and their parties. Although there are some unrealistic provisions in the current law, candidates and parties should follow the rules which after all apply to everybody, he said.

Candidates Begin 'Legal' Campaigning

SK2011102792 Seoul YONHAP in English 0522 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—With the government officially posting Dec. 18 as the polling date, the presidential candidates and their political parties launched 28 days of legal and active election campaigning Friday.

All major presidential candidates immediately registered their candidacies with the central election management committee. They are Kim Yong-sam of the Democratic Liberal Party, Kim Tae-chung of the Democratic Party, Chong Chu-yong of the United People's Party [UPP], Yi Chong-chan of the New Korea Party and Pak Chan-chong of the New Political Reform Party.

Registration will close on Nov. 25 and at least four other minor candidates are expected to make their bids official by then.

The three major candidates—Kim Yong-sam, Kim Tae-chung and Chong Chu-yong—are scheduled to launch grass-root campaigns from Saturday, trying to grab the initiative and the momentum.

Kim Yong-sam will hold his first legal campaign rally on Saturday in Chungju and Chechon, North Chungchong Province, while Kim Tae-chung heads for Ansan and Sihung, Kyonggi Province, for campaigning. Chong Chu-yong is expected to tour Inchon, west of Seoul.

Prior to registration, the three candidates held press conferences to publicize their determination to run the race in a fair manner and to reiterate their conviction for victory.

"I believe that I can form a legitimate and strong government by going through clean election processes," Kim Yong-sam said. "Therefore, I will help carry out one of the fairest elections."

Because the Democratic Liberal Party had made a sacrifice, Kim Yong-sam said, possible disputes over official involvement in the election were ruled out. The nation still had, however, to be wary of mudslinging and attempts to incite regional hatred.

Talking to reporters at Democratic Party headquarters in Mapo, Kim Tae-chung reiterated his pledge to form a "pan-national" cabinet in which prominent political leaders from the DLP and UPP will be included.

He would declare "a political truce" for the first two years of his administration in order to restore political stability and revitalize the nation's economy, Kim Tae-chung said.

Kim Tae-chung proposed television debates among the three major candidates as soon as possible.

Regardless of the outcome of the Dec. 18 election, he said, he would not run for president again. Nor would he try to take part in party leadership, the 67-year-old opposition leader said.

Chong Chu-yong said that if he were elected president, he would open a new era and put back the nation's economy on track so that every citizen benefited from economic progress. His administration would erase regionalism and help unify the country.

Pak Chan-chong of the New Political Reform Party described the coming election as a watershed that would decide the fate of the country. As a leader representing new and younger voters, Pak said, he would put an end to corruption, political in-fighting and the old and failed establishments of the two Kims.

* Reduction of Defense Budget Spawns Controversy

932C0015A Seoul SISA JOURNAL in Korean 1 Oct 92 pp 58-60

[By reporter Chang Yong-hui: "'Defense Budget Cut Impossible If Buildup of Scientific Forces Continues'—Controversy Rising with Parliamentary Deliberations in Sight... Academic Circles Criticize Attempt To 'Put Back the Clock'"]

[Text] A sanctuary is coming down crumbling. Two to three years ago it was still a taboo to go deliberately into details when examining the government's defense budget. But the collapse of the cold war order changed it all and the defense budget is no longer a sanctuary. The compilation process of the 1993 budget plan added fuel to debates on the nation's defense spending. The controversy is, in short, on two points: whether the defense appropriations, accounting for a quarter of the government budget, are indeed used effectively, and what is an appropriate level for defense budget acceptable for national security interests and yet affordable for the national economy.

Whether or not the defense budget money is being used effectively remains a subject of argument. It is difficult to understand, critics say, that the military buildup program has been on since 1974 and yet the nation still has to pour out so much money. In the "military and national security policy seminar" held on 8 September under the auspices of the Hyundai Research Institute, Military Academy Prof. Yi Hyok-sop pointed out that "despite the fact that $33 billion (23.6 trillion won [W]) was spent over 1974-90, there is little evidence that the nation's war potential has been strengthened that much." South Korea has surpassed North Korea in the military spending since 1974; currently, it spends more than twice as much. The professor said: "The welfare level of the military personnel is only 40 percent of the average civilian while the ammunition stockpile, which was for three days in 1974, is now still only for four days." "If there was anything that has improved in these years, I do not know about it," he said.

Also noted is the lack of the spirit to save among the officials obsessed with the thought that there should be no discrepancy between the budget and its execution. As an example, a professor at the National Defense College cites inefficient practices in the procurement of paints by munitions units. Suppose there are two types of paints, one lasting for one year at the unit price of W100 and the other lasting for two years at the unit price of W150, then the procurement officer will select the W100 paint. He does so because he is required to abide by the lowest bid price provision in the Budget Accounting Law although he knows that the W100 paint is more economical. If he procured a higher priced paint, he would be reprimanded in the auditing process. A spending less than appropriated would also cause problems. The discrepancy will not only become a problem in auditing but also lead to a cut in the next year's budget.

In this connection, an army colonel argues: "No organization has a better control system than the military. Speaking of auditing alone, it is held dozens of times every year. There is absolutely no room for any waste." Kuk Ung-yong, budget compiling officer in the Ministry of National Defense [MND] said that "the defense budget is planned and executed under the planning-programming budgeting system (PPBEES) which is viewed as most rational. Also, the commanding officer of each unit leads the unit's efforts for saving and effective use of appropriated funds." At the same time, he added, that "details of the budget execution are a classified matter and therefore cannot be made public," however.

Mun Hyong-pyo, researcher at the Korea Development Institute (KDI), complained that "as a student of finance, I wish to research efficiency problems in the defense spending area, including that of unit index computation, but the available basic data are almost nil." Meanwhile, with regard to releasing data, Chae Myong-sin, former commander of the ROK Forces in Vietnam, maintains: "What kinds of weapons are procured for personnel, how they are clothed and fed, or what types of weapons and how much of them are in store should not be included in military secrets."

Double-Digit Growth Rate Unavoidable

MND's secretiveness is adding to the suspicion of wastes. Yi Chong-ku, former MND minister, perhaps was aware of it when he promised last year to "release information within the range of not affecting strategic, operational plans." Despite the promise, the MND still refuses to release data except rough figures on budgetary gains, however.

Even if the money is used efficiently as the MND claims, whether the defense budget is appropriate in size still remains a subject of controversy. Hyon In-taek, researcher at the Social Science Institute and author of "The Defense Spending of the ROK," said that "to figure out the appropriate size of a defense budget, scores of interrelated factors must be taken into account, and presently these factors themselves are undergoing changes." "Until sometime ago," he noted, "external factors such as the international situations, alliances with other countries and military buildups of North Korea and other neighboring nations had constituted the basis of defense budget computation. But now, the policy priority order and the balance with other government spending such as social welfare programs have to be taken into consideration."

One of the criteria to determine if a defense budget is appropriate in size is the fiscal payment index. The index is computed on the basis of the economic capacity of each country and, if it exceeds 100, it indicates that the country is overspending. According to KDI researcher Yi Kye-sik, the index with the ROK defense budget last year was 161.7, which was 1.4 to 1.8 times the average of developing and Asian countries. On the other hand, in the cases of the public health, social security and welfare programs and the housing and other social development programs, it was only one third to one fifth of the developing nations level. Judging from this, it can be said that the defense spending of our country is in excess of what its economy can afford.

In our country, the percentage of defense spending against GNP began surging rapidly from 1976, averaging 6 percent through 1982. President Carter, during his visit to Seoul in 1979, demanded Korea's defense spending equivalent to 6 percent of GNP and the Korean government met the demand. Since the 6 percent wall came down in 1985, the ratio continued to drop, marking 3.7 percent in 1992. As the total scale of the economy expanded, the absolute amount of defense spending gained sharply, however. It swelled 512 times over 31 years, from W17 billion in 1961 to W8 trillion 700 billion. While its weight in the overall government budget has been on the decline since peaking in 1988, the defense spending remains the largest single expenditure item. Choe Kwang, senior researcher at the Korea Tax Research Institute, said that "although the 6 percent-of-GNP wall came down, the total scale of the nation's defense spending remains massive. Especially, the computation format in use in recent years is based on the concept that the military budget should increase at a same rate as the overall government budget gains. There should be a review of this format." "If there are any wasteful items in the defense budget, whether priorities among items are defined correctly, and if the spending is closely linked with industrial developments should replace it as the basis of decision-making," he said.

But views of the MND and defense economists are to the contrary. The 1991-92 "White Paper on National Defense" states that "a defense budget equivalent to 4.5 percent of GNP is an absolute necessity to lift the national defense capabilities to an 80 percent level of North Korea's. Also, Cha Yong-ku, researcher at the Korea National Defense Research Institute, once said last year that "the appropriate size of our defense budget is 4-5 percent" of the GNP.

Controversies over the scale of defense spending stem from differences in the perception of security environment. Economists advocating reductions hold that inasmuch as the security environment has changed, the basis of decision-making on defense spending should also change accordingly. On the other hand, the MND is of the opinion that the political environment has indeed changed but the military environment has not. Yi Pil-sop, chairman of the Joint Chiefs of Staff, emphasized in a remark at the National Defense College on 15 September that "the North Korean threat of military provocations is expected to continue for a considerably long time to come. Moreover, we are faced with increasingly visible threats from neighboring countries, including the Japanese and Chinese military buildups. Therefore, it is essential that we secure an appropriate level of defense spending."

According to Chi Man-won, a military expert, "it should be determined first where the ROK military is headed." What he means is that the defense spending can gain or drop depending on how the nation organizes its military strength and how it builds its weapons systems.

The goal of the ROK military is, in sum, a "scientific" force. This was already made public in the name of "new national defense policy and military strategy." Defense Minister Choe Se-chang, in his briefing of the president in January, stated that he would promote elitism in troop strength and make up for a resultant decline in war potential with technology-intensive weapons systems. But a scientific force does not necessarily mean a direct reduction in defense spending. Kim Chong-mun, researcher at the National Defense Research Institute, said that "if the defense budget is to be cut gradually on a sustained basis, there can be no structural reform of the ROK military forces."

For shifting to elitism in troop strength, the MND studied four plans on reduction, including one indicating that in case the ROK military reduces troop strength while preserving its present structure, it will indeed lead to a budgetary cut, but that if it should shift to the same structure as the U.S. and Japanese, it will require even a larger budget.

In addition, replacing weapons systems with high-technology equipment to build up war potential requires an enormous budget. A destroyer costs more than W160 billion, a submarine W140 billion, and a next-generation fighter plane (KFP) W30 billion. According to MND calculations, W196.5 billion is needed to replace an infantry division with a mechanized division. The MND has been pushing a military buildup program, code-named "Op. Yul-kok," since 1974 and it is currently in its fourth phase. It has been confirmed, though unofficially, that the MND plans to spend W15 trillion for military buildup over a five-year period from 1993 through 1997.

Unless this military strategy pursued by the MND is revised, the nation's defense spending is far from decreasing. It may increase rather at a two-digit rate. Won Chang-hui, researcher at the National Defense Research Institute, advocates a two-digit rate increase in spending for a scientific force. According to his estimate, building such a force will require a W8 trillion 300 billion budget, meaning an increase in spending by an annual 12 percent or so over a 10-year period.

Also, unless the MND brings down the banner of "self-dependent national defense" which is aimed at a level exceeding war deterrent needs, the nation's defense spending is bound to increase continuously. Dr. Yi Pil-chung, officer in charge of planning at the MND office of military strength planner, said that "if we are to exert an international clout, we must have a military power commensurate with our economic strength to back it up." In this connection, a young scholar asked "Does that mean the ROK forces are out for military hegemony?" "The military buildup program only accelerates a wasteful arms race," he charged, insisting that "we should proceed in the direction of mid-and short-term reductions in our defense budget, if not on short-term basis.

How the defense spending relates to the non-military economic sectors is also one of the issues. The defense budget consists of procurement costs for weapons, equipment, and other munitions and materials, and expenditure for manpower. The spending contributes to the national income when it links up with domestic production. Kang Myong-kil, researcher at the National Defense Research Institute, said that "if we foster defense-contract firms and improve technology of the munitions industry, we can also improve technological levels of other domestic industries simultaneously with favorable effects on the economy. If nothing is done except just buying the expensive weapons and the like from other countries in an irresponsible fashion, the defense spending would bring about declines in the national income rather than gains. On this subject, MND officials maintain that "when procuring weapons from other countries, we simultaneously demand transfer of technology, too, and thus we are headed in the direction of enhancing side effects on domestic industries. The KFP program offers a typical example, they say. With regard to research and development investment, it is planned to increase it from the present 2 percent to 5 percent in the year 2000. Currently, the production-inducing coefficient and added-value-inducing coefficient of the defense spending are considerably lower than those of non-military spending.

Characteristic of defense budget is that it, unlike other non-military budgets, is operated within the framework of a five-year mid-term program. It is because a military buildup program takes a long time from its start to completion—generally, 10-15 years in weapons systems, five to 10 years in installations, and 15-20 years in improvement in manpower, it is said. The 1993 budget is intended meant not just for fiscal 1993 but for the first year of a five-year program. Therefore, the course of the heated defense budget debates could produce a decisive impact not only on the next year's budget but on the entire budget scale for the 1990's.

The 1993 defense budget plan was, for the moment, officially set at W9 trillion 594.3 billion (the actual national defense expenditure at W9 trillion 237.9 billion), which represents a 9.8 percent gain over 1992, in a presidential state of administration report on 16 September. According to Yi Sok-chae, chief of the budget office of the Economic Planning Board, "a backstage dialogue is still in progress and a narrow-range increase is anticipated." Scheduled to be presented to the National Assembly on 2 October for its deliberations, it will likely be finalized at a W9 trillion 600-odd billion level. Noteworthy will be how the diverse viewpoints dealing with the subjects of efficiency and scale of the nation's defense spending will come to a consensus in the upcoming National Assembly budget session.

Assembly Passes Budget, Adjourns Regular Session

SK2011014492 Seoul YONHAP in English 0023 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—The National Assembly passed the 38.5 trillion-won national budget for fiscal 1993 early Friday morning after all Democratic Party [DP] lawmakers had stormed out of the assembly hall.

The National Assembly also adopted a proposal for a 6-percent increase in the government purchase price of this year's rice crop, an amendment bill on the income tax law and other legislative matters before adjourning its regular session.

The assembly passed the budget bill with a vote of 142 for and 23 against with 165 lawmakers voting in the 299-seat unicameral assembly.

Prior to deliberation on the budget, the Democratic Party tabled a motion for the assembly to discuss the issue involving Rep. Kim Pok-tong, who was reported to be considering leaving the majority Democratic Liberal Party [DLP].

All Democratic Party representatives left the chamber after their motion was defeated by the DLP and the United People's Party .

Following the passage of the budget bill, Prime Minister Hyon Sung-chong said he deeply regretted that a controversy has risen over the Kim Pok-tong affair and that the political neutrality of his cabinet was being questioned in its wake.

Hyon reassured the lawmakers, however, the government's determination to carry out the Dec. 18 presidential election in a fair and equitable manner was firm.

"The government will do its utmost to prevent any further incident that could cause controversy and misunderstanding," Hyon said.

Minority parties were questioning President No Tae-u's avowed neutrality after he had ordered police forces to stop Rep. Kim Pok-tong, who is his brother-in-law, on his way to Taegu to announce his departure from the Democratic Liberal Party.

Kim Pok-tong was then forcibly brought back to Seoul and persuaded by No and other members of his family to stay in the DLP, raising a howl of protest, especially from the United People's Party, that No might have acted unfairly on behalf of the DLP.

The opposition parties held sessions of the Home Affairs and National Defense Committees Thursday to demand that President No and Prime Minister Hyon apologize to the people and punish those responsible for the "abduction of a representative" by a group of law-enforcement officials.

The National Assembly had been expected to pass the national budget bill and adjourn the regular session Thursday afternoon, after hearing a speech by visiting Russian President Boris Yeltsin .

The final-day session was forced to stay open until the early hours of Friday after the second largest Democratic Party demanded to hear clarification on the incident from Kim Pok-tong himself and an apology from President No.

The Democratic Liberal Party accepted the application by Kim Pok-tong to leave the party Thursday afternoon, effectively clearing up confusion and speculation surrounding the affair, and enabling the National Assembly to resume its session late Thursday night.

DP Deputy Spokesman Arrested on Security Charge

SK2011025592 Seoul YONHAP in English 0247 GMT 20 Nov 92

[Text] Seoul, Nov. 20 (YONHAP)—The Agency for National Security Planning [NSP] arrested Kim Bu-kyum, 34, a deputy spokesman of the Democratic Party [DP], on national security charges Thursday.

Kim is charged with accepting money from Yi Sun-sil knowing that she was a North Korean spy and failing to notify the police.

The NSP has a warrant to search Kim's apartment and his desk at democratic party headquarters.

An NSP spokesman said that Kim was suspected of accepting politicial contributions of 5 million won (6,500 U.S. dollars) from Yi when he was running for National Assembly in 1988.

He returned the money when Yi revealed she was a North Korean spy in June 1990, but he later obtained 1 million won and did not notify the police, the spokesman said.

Burma

General Than Shwe Warns of Neoimperialism

BK1911043792 Rangoon Radio Burma in Burmese 0130 GMT 19 Nov 92

[Message to the people from General Than Shwe, chairman of the State Law and Order Restoration Council, on the 72d National Day on 19 November 1992—read by announcer]

[Text] To the people of all national races: Today is the 72d anniversary of the National Day. Since National Day is a day of great significance in the history of Myanmar [Burma], I send my greetings to all of you on this auspicious occasion.

National Day is not only an unforgettable day, but also a milestone in the history of the struggle for Myanmar's independence. The Union of Myanmar has existed since time immemorial as a separate, independent, and sovereign nation with its own kingship, administration, customs, religion, culture and tradition, and lived as a proud and stately nation.

However, the greedy and avaricious colonialists, who coveted the geography of Myanmar and its natural resources and wealth, invaded the country and fought three aggresive wars in 1824, 1852, and 1885. They captured Lower Myanmar on 20 December 1852 and annexed Upper Myanmar on 1 January 1886. They then turned the whole of country into their colony and imposed servitude upon the entire people of Myanmar. From that time onwards, the colonialists looted and exploited rice, teak, and timber, oil and other natural resources. They took out enormous quantities of our teak and timber, minerals, and precious gems and oppressed and tortured the people for nearly a century.

The peoples of Myanmar opposed and revolted against the colonialists by resorting to various means throughout the country. On 1 December 1920, the colonial government promulgated the Yangon University Act. Since it was an act aimed at enforcing the colonial education system and prolonging the colonial rule in Myanmar, the students of Yangon College launched the boycott movement on 5 December 1920 as a protest. That boycott was not only against the colonial education system, but also against the political restrictions, suppression, and economic exploitation of the imperialists, as well as their one-sided oppresive measures taken against the Myanmar under the bureaucratic administrative machinery.

As this boycott was an open political struggle launched by the Myanmar against colonialists, the National Day became the symbol of a struggle of great traditions in the course of the national liberation and anti-imperialist struggle.

The 1920 boycott filled the minds of the people of Myanmar with a dynamic spirit of patriotism and nationalism. It also instilled in their minds the will and desire to sacrifice in the interests of the country and the race and brought about their maturity. Moreover, it also led to the emergence of national solidarity spirit and belief that the victory over the imperialists could be won through national unity.

Therfore, the 1920 boycott only the clarion call for the struggle for independence of Myanmar, it also created the revolutionary forces for independence. This boycott was referred as the movement that set the people on the path leading to Myanmar's independence.

Today, the imperialists are making their utmost efforts forcefully to reestablish their domination and rule in Myanmar by employing neoimperialist methods. They are resorting especially to such tactics as employing internal minions to undermine and destroy the solidarity of the national races and to cause disintegration of the country.

Therefore, all the people of the national races are to recall and realize the true significance and essence of the national day and to resist and repulse the danger caused by imperialists with full patriotic spirit.

Therefore, in my greetings to you on this auspicious occasion, I urge the people of all national races to hold in high esteem our three main national causes—the nondisintegration of the Union; the nondisintegration of national solidarity; and perpetuity of sovereignty—and to make concerted efforts for the flourishing of a true democracy and the emergence of a firm state constitution in the Union of Myanmar under the leadership of the State Law and Order Restoration Council.

Khin Nyunt Speaks on Dangers of Neoimperialists

BK2011061192 Rangoon Burma Television Network in Burmese 1330 GMT 19 Nov 92

[Excerpts] A ceremony to present prizes for the literarture and photography competition on national slogans sponsored by the State Law and Order Restoration Council's [SLORC] Steering Committee for Writing National Slogans was held at 0900 today at the National Theater on Myoma School Road in Yangon [Rangoon].

Major General Khin Nyunt, secretary-1 of SLORC, delivered an address at the ceremony and presented prizes. [passage omitted]

Speaking at the ceremony Maj. Gen. Khin Nyunt noted the auspiciousness of today's National Day ceremony and said the prizes would be presented to winners of the third literary and photography competition, which was held with the aim of revitalizing and nurturing pariotism in the nation. [passage omitted]

Maj. Gen. Khin Nyunt said that by perusing literary evidence it could be seen that Myanmar [Burmese] national pride and flourishing patriotic spirit played a pivotal role in the struggle for independence. When national and patriotic spirit become feeble and weak, the policy of depending on foreign nations would become dominant, which could lead to the loss of independence.

He reiterated that imperialism has not been defeated altogether in today's world but is still trying to dominate small countries through various means under a new guise. He said that is why SLORC is constantly endeavoring to promote Myanmar patriotism and to present the truth about false reports and rumors fabricated and broadcast by unscrupulous internal and external elements, and their destructive activities. He said the Committee to Agitate and Promote Dynamic Patriotism Among the Public and the Steering Committee for Writing National Slogans had been formed. [passage omitted]

Maj. Gen. Khin Nyunt said that at present some major neoimperialist countries, who do not wish to see stable and peaceful change for Myanmar citizens, are striving through various means to create their desired chaotic changes. He said the message of the SLORC chairman, General Than Shwe, on the occasion of the 72d anniversary of National Day, says that today the imperialists are making utmost efforts forcefully to reestablish their domination and rule of Myanmar by employing neoimperialist methods. They are especially resorting to such tactics by employing internal minions to undermine and destroy the solidarity of the national races and to cause the disintegration of the country. Therefore, the people of all national races are to recall and realize the true, deep, significant meaning and essence of National Day and to resist and repulse with full patriotic spirit the dangers posed by imperialists.

The secretary-1 said today when plans are being made to draft a firm constitution is a very crucial time for Myanmar. At such a time, some irresponsible broadcasting stations under the influence of some big nations are engaged in acts undermining the process of drafting the state constitution, which is the mainstay of all Myanmar nationals, while attempting to divide the national races and to disintegrate the national solidarity by various means, including fabrication and instigation.

The role of the Defense Services in the national politics mentioned in the objectives to lay down basic principles for drafting the state constitution was misinterpreted and broadcast in various ways. He said only Myanmar nationals with patriotic spirit would understand the important role of the Defense Services, not only in the emergence of the Union of Myanmar, but also in political stability and perpetuation of national sovereignty.

He added that it could be seen from perusing the history of the Defense Services that it was born out of the anti-imperialist movement and played a pivotal role in the independence struggle. It was formed with patriotic Myanmar youths and had sacrificed many lives. The Defense Services, although reorganized from time to time according to prevailing conditions, had never lost sight of the firm original conviction for obtaining independence for Myanmar and had worked consistently. After independence was obtained, the Defense Services fought and crushed the internal insurgency—the negative legacy of the period of servitude under the imperialists—and had safeguarded the state until today. The responsibility of the Defense Services, which is formed with various national races and which was born out of the anti-imperialist struggle and independence movement, has not yet been completed; it will continue to shoulder the responsibility of defending the country against the dangers of neoimperialists. He said the Defense Services is ready to carry out the responsibility hand in hand with the people.

He said today efforts are being made by all people under the leadership of the Defense Services to repulse pressure and interference from major neoimperialist nations and to work for the emergence of a genuine democratic system in Myanmar which is in accordance with the traditions and customs of the Myanmar people. He added that this is also a time when efforts are being made to establish a new Union of Myanmar based on internal strength. He said that at such a time, it is crucial for all national people to keep their patriotism alive and dynamic and to remain aware of our three main causes [nondisintegration of the union, nondisintegration of national unity, and perpetuity of national sovereignty]. [passage omitted]

After delivering his speech, Maj. Gen. Khin Nyunt presented prizes to the winners of the competition.

Khin Nyunt Receives PRC Deputy Health Minister

BK1911143092 Rangoon Radio Burma in Burmese 1330 GMT 19 Nov 92

[Text] Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received the visiting PRC deputy minister of public health, Mr. Sun Longchun, and delegation at the Defense Ministry's Dagon House at noon today. Present at the meeting were Rear Admiral Than Nyunt, minister for health; U Ohn Gyaw, minister for foreign affairs; and Colonel Than Zin, deputy minister for health.

Also present at the meeting with the visiting PRC delegation were Chinese Ambassador Liang Feng. It has been learned that cordial and friendly talks on bilateral cooperation regarding health matters were discussed at the meeting.

Brunei, Malaysia & Singapore

Malaysia

Minister Rejects Rejoining Coalition Government

BK2011060892 Singapore THE STRAITS TIMES in English 19 Nov 92 p 20

[Text] Sabah Chief Minister Datuk Joseph Pairin Kitingan has declared publicly that his Parti Bersatu Sabah (PBS) will not rejoin the National Front coalition unless there is a change in its leadership or attitude towards the PBS, according to the Nanyang Siang Pau newspaper yesterday.

Datuk Kitingan, who is also PBS president, said that his party could also rejoin the Front if it acceded to the demands of his state government.

He was speaking at a ceremony at Kunak, near Tawau, to admit 1,775 Sabah Umno members into PBS, said the newspaper.

The PBS withdrew from the ruling National Front coalition on the eve of the general election in 1990.

Datuk Kitingan told the new party members that the PBS withdrew from the National Front because it treated PBS' requests with indifference.

The party's requests, such as the setting up of a university and a television station and an increase in the rebate of petrol duty, were all turned down by the Front, according to Nanyang Siang Pau.

Datuk Kitingan also said that although the PBS was once a component party of the Front the party was neglected by its leaders after it defeated Berjaya, a Front component part, in the 1985 state election.

In a separate development, the Chief Minister yesterday told reporters that his state government would reply soon to the letter from the Front inviting the PBS to a debate over the 20-point agreement by which Sabah joined the Federation of Malaysia.

According to BERNAMA News agency, he said that the state government would act on the invitation, made through Sabah UNMO [United Malays National Organization] on behalf of the Front. The letter was handed over to PBS secretary-general Datuk Joseph Kurup on Tuesday.

Datuk Kitingan did not disclose its contents.

Trade With Former Soviet Republics Drops

BK1911131792 Kuala Lumpur BERNAMA in English 1007 GMT 19 Nov 92

[Text] Kuala Lumpur, Nov 19 (OANA-BERNAMA)—Malaysia's bilateral trade with former Soviet republics dropped this year because of political development in those states, an official said Thursday.

Parliamentary Secretary to the Ministry of International Trade and Industry S.F. Subramaniam told the Dewan Rakyat (the Lower House of Parliament) that the figure was 142.95 million ringgit (U.S.$57.18 million) for the first five months of this year compared with 430.94 million ringgit last year.

The balance of trade was on their favour by 71.87 million ringgit (about U.S. $27.74 million) this year, while last year's balance was in Malaysia's favour by 15.7 million ringgit (about U.S. $6.28 million), he said.

Subramaniam said there was scope for improving bilateral trade with the former Soviet republics once the political situation there improved.

Singapore

Defense Minister Returns From ROK, Japan

BK1911152092 Singapore THE STRAITS TIMES in English 19 Nov 92 p 21

[Text] The defence industries of Singapore and South Korea can explore opportunities for cooperation in the production of military equipment, where the requirements of the two armed forces dovetail.

Defence Minister Dr. Yeo Ning Hong said South Korea had developed an Infantry Fighting Vehicle—a lightly armed tracked or wheeled vehicle used to transport and help troops in combat—while Singapore has developed a capability to refurbish the AMX-13 tank and armoured personnel carriers used by the Singapore Armed Forces (SAF).

Dr. Yeo noted that there is some commonality in the technology used, and added: "If discussions between the two defence industries show there is some synergy and advantage to be gained from working together, I am sure our defence industry will be keen to explore it."

The minister was speaking to reporters at the Defence Ministry yesterday on his return from a week-long visit to Japan and South Korea.

On the role of an indigenous defence industry, Dr. Yeo said: "There must be sufficient industrial strength incountry to be able to assist the armed forces in case of need."

He said he was impressed with the extent of involvement of industry, especially major conglomerates, in defence activities in South Korea and Japan.

"There is a lesson for us here. We have to take our defence industry seriously. Our defence industry, in comparison to them, is exceedingly small, which means the ability of the defence industry to support the SAF is also severely limited."

The Singapore delegation visited two conglomerates in South Korea and Japan involved in the manufacture of a wide range of goods and products, from aircraft parts to computer chips, consumer electronics, heavy machinery and construction equipment.

Dr. Yeo was asked if there was any possibility of cooperation on production of the F-16 Fighting Falcon aircraft, used by both air forces and assembled and co-produced in South Korea under licence.

He said an arrangement where Singapore could undertake to build some of the parts jointly with South Korea as sub-contractors to the principal U.S. manufacturer, General Dynamics, could be explored. However, he added that there was greater opportunity in developing indigenous products instead, referring to the Korean Infantry Fighting Vehicle.

Comments on Trip

BK2011062492 Singapore THE STRAITS TIMES in English 19 Nov 92 p 3

[By Dominic Nathan]

[Text] South Korea and Japan share Singapore's concern that a reduced American military presence in the Asia Pacific could result in regional powers scrambling to fill the vacuum, said Defence Minister Dr Yeo Ning Hong yesterday.

Speaking to reporters at the Defence Ministry after his week-long visit to Japan and South Korea, he said the reduction is very significant and carried out over a relatively short period of time, it will have severe repercussions for the entire region."

However he added that the two countries were optimistic that US president-elect Bill Clinton would remain engaged economically in the region so as not to lose out on its anticipated high growth.

Dr Yeo spoke on views exchanged with senior South Korean and Japanese officials. The talks ranged over issues like regional security, the US military presence, defence industry cooperation and bilateral ties with the two countries.

He stressed that uncertainty and concerns over the impact of US defence cuts on the region's continued economic growth came across very clearly in discussions with Mr Sohei Miyashita, the Japanese Minister of State for Defence and Director General of the Japan Defence Agency, and Mr Choi Sae Chang, South Korea's Defence Minister.

On the region's prospects under a new US administration, Dr Yeo said that although Mr Clinton had stated that he would focus on domestic issues during the early days of his presidency, they hoped his new administration would note the importance of the region and remain here in a significant manner.

Asked about defence ties with South Korea and Japan, Dr Yeo said that countries in East Asia should get together to explore new opportunities for cooperation, although Singapore would continue its close bilateral ties with its ASEAN neighbours.

Japan and South Korea are also keen to cooperate more on defence with Singapore, said Dr Yeo.

He added that the SAF [Singapore Armed Forces], which currently has officer cadets training in Japan and air force pilots in South Korea, is also looking to take part in other courses conducted by the two armed forces.

On Japan's role in the United Nations' peacekeeping operations in Cambodia, Dr Yeo said that he was briefed on its work. It was entirely non-military, involving mainly the building of roads and bridges.

He said: "I believe the Japanese are aware that as long as they participate under the auspices of the United Nations in a non-military context, the countries in the region will not be uncomfortable."

Vietnamese Refugees Protest U.S., UK on Asylum

BK1911135692 Singapore THE STRAITS TIMES in English 19 Nov 92 p 21

[Text] A group of Vietnamese refugees in the Hawkins Road camp has gone on a hunger strike to protest against countries which have not honoured resettlement guarantees. The Singapore Government yesterday urged these countries, which include the Netherlands, the United States and United Kingdom, to fulfil their obligations by removing the refugees.

The protest at the camp in Admiralty Road West began on Tuesday, and the refugees have vowed to continue their fast until they receive assurances of swift asylum in the West. The group, numbering about 60, put up banners and painted slogans on their T-shirts asking the Singapore Government to intercede on their behalf and help them.

Speaking to THE STRAITS TIMES yesterday, one protester, Mr Tan Throng Tran, 23, said: "We were given unconditional guarantees by some countries of resettlement within three months. That was more than two years ago."

He named the countries as the Netherlands, Norway, the United States, the United Kingdom, Sweden, Denmark and Germany.

The 85 refugees in the camp have been awaiting news of resettlement for between 16 months and more than two years. They were promised resettlement by the guarantor countries within three months of arriving here. However, about two months ago, they were told by the United Nations High Commission for Refugees (UNHCR) that they had been screened and were not found to be political refugees.

According to a 1989 international agreement known as the Comprehensive Plan of Action, this means that they will not be resettled, but would have to return home.

Mr Meechubot Thamrongsak, the officer-in-charge of the UNHCR office in Singapore, said one of the criteria for determining the status of a refugee was to check if the person fled in fear of political persecution, or if returning to Vietnam would pose a danger to his life.

The Singapore Home Affairs and Foreign Ministries had earlier cautioned the UNHCR representative here against announcing the screening results as this could cause tension, but the advice was ignored. This led to a sit-in in September.

A Home Affairs Ministry spokesman said the Singapore Government had never recognised the screening process and has taken up the refugees' plight with guarantor countries several times.

Said another refugee, Mr Quoc Hung Tran, 23, yesterday: "They promised to take us, and now they are telling us to go back. We are not economic refugees. We risked our lives trying to run away. So many people died trying. We fled because many of us were badly treated in Vietnam because our parents or relatives worked for the Americans during the Vietnam War."

Cambodia

Chea Sim's 17-18 Nov Activities in Japan Noted

BK1911143992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 19 Nov 92

["Communique on His Excellency Chea Sim's activities in Japan"]

[Text] His Excellency [H.E.] Chea Sim allowed an NHK Television and KYODO News Service team to interview him at 1500 on 17 November at the New Otani Hotel. Answering questions concerning the implementation of the Paris peace accords, the chairman said that the peace process will continue its course thanks to the efforts of the international community and the Big Five. He also stressed that obstacles and difficulties are being encountered in the process of implementing the accords because the Khmer Rouge do not respect the peace agreement and are even reneging on an agreement that they have signed. He underlined that the UN Security Council should take appropriate measures to put pressure on the Khmer Rouge and force them to return to the peace process. He went on to say that not only have the Khmer Rouge violated the agreement, but they have also expanded their zones of control, fired at the people, and forbidden UNTAC [United Nations Transitional Authority in Cambodia] from entering their control zones. Recently, they again shot at an UNTAC helicopter in Siem Reap-Oddar Meanchey Province, he said.

H.E. Chea Sim further stressed that the State of Cambodia [SOC] faction does not have the intention of keeping the Khmer Rouge out of the peace process in Cambodia and that the SOC has sought by all means to make all Cambodian factions join hands in implementing the agreement. However, the Khmer Rouge have isolated themselves from the peace process and created obstacles to bloc the implementation of the agreement.

Concerning the upcoming presidential election, H.E. Chairman Chea Sim stressed that the SOC faction will not field any candidate against His Royal Highness [HRH] Prince Norodom Sihanouk and that the SOC faction supports the prince's candidacy because it understands that HRH Prince Norodom Sihanouk is the only person who has influence over all parties and is capable of forging national reconciliation and bringing genuine peace to the nation.

At 1000 on 18 November, H.E. Chairman Chea Sim had talks with H.E. Miyazawa, prime minister of Japan, during which he thanked the Japanese Government for making great efforts and seeking all ways to get a solution for the Cambodia peace problem. H.E. Miyazawa expressed his pleasure in, and high appreciation of, the SOC faction for its attitude of restraint, its good cooperation with UNTAC, and its faithful implementation of the Paris peace agreement. He pledged that the Japanese Government would continue to cooperate with the international community in order to bring success to the implementation of the Cambodia peace agreement and that Japan will actively contribute to Cambodia's reconstruction.

At 1115 on the same day H.E. Chairman Chea Sim held talks at the New Otani Hotel with H.E. Kakizawa, deputy foreign minister of Japan. The talks centered on cooperation and bilateral relations between Cambodia abd Japan and the peace process in Cambodia. At 1230 H.E. Owada, deputy foreign minister of Japan, hosted a luncheon in honor of H.E. Chairman Chea Sim with the participation of Mr. (Ujuda), head of the Asia Department of the Foreign Ministry, and Mr. (Azuno Miyazawa), first deputy head of the Southeast Asia Department. An exchange of views on a number of important issues concerning the implementation of the peace agreement and the Cambodia-Japan bilateral relations was also made on that occasion.

Chea Sim Receives Greetings From Russian Envoy

BK2011072792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 20 Nov 92

["Message of greetings" to Chea Sim from the Russian ambassador to Cambodia; date not given—read by announcer]

[Text] Your excellency: Please accept my sincerest greetings on your 60th birthday. Cambodia is going through an important and difficult stage in its history, and it needs from its leaders wisdom, loyalty to the national cause, and great political courage.

Endowed with these qualities, I ardently believe that you will be able to make a significant contribution to the creation of an independent, sovereign, and unified state on the land of Angkor where peace and security will eventually be restored.

The Federal Republic of Russia is continuing to dedicate its great attention to a political settlement in Cambodia within the framework of the Paris accord and supports the Cambodian people in their struggle for a wonderful and happy life. We are ready to expand the traditional relations of friendship and multifarious cooperation with the Cambodian people.

May your excellency enjoy the best of health and longevity and achieve new, still greater successes in the interest of the Cambodian people and for the sake of peace and stability in your country.

Your excellency, please accept my highest regards.

Indonesia

PDI Member Receives Reprimand

BK1911040992 Jakarta THE JAKARTA POST in English 6 Nov 92 p 2

[Text] Jakarta (JP)—The Indonesian Democratic Party (PDI) has reprimanded one of its central committee members for prematurely voicing approval of President Suharto's nomination for a sixth term of office next year.

PDI chairman Surjadi declined yesterday to specify the punishment meted out to party treasurer Markus Wauran. "We in the PDI have the habit of not making public the sanctions we hand out to our members," he said.

The decision was made in a party board meeting which lasted until the early hours of yesterday.

In the meeting, it was ruled that Wauran has breached the party decision that PDI, the smallest political party, would nominate its presidential and vice presidential nominee after a meeting of the party leadership.

According to Surjadi, Wauran had apologized for his actions and promised to be loyal to the party line. Surjadi said earlier that the party meeting would take place in January next year, two months before the presidential election.

Wauran had said earlier this week that the party should put forward its leadership meeting and nominate President Suharto for another five years. He said the party's delay in announcing its nominee had put the party in an uneasy and difficult position. He added that the party supporters in the provinces wished to see Suharto serve another term.

As the only party which has not nominated Suharto for president, PDI has been under pressure to name its nominee.

Late last month, the Central Java branch of the party agreed to nominate Suharto for another term.

A PDI legislator, Sophan Sophiaan, denied that some of the party's main branches, like East Java, would soon bow to pressure and announce Suharto as their candidate. "No, that's not true, East Java is very solid," Sophan said.

The powerful Armed Forces (ABRI), the government's Golkar [Functional Group] political group and the United Development Party (PPP) have announced their plan to renominate President Suharto for another five year term of office.

The People's Consultative Assembly (MPR) will convene in March to elect the next president and adopt the new Guidelines of State Policy.

Another organization which has announced its support for Suharto is the Indonesian Ulemas Council, the officially sanctioned Moslem clergy organization.

Council chairman K.H. Hasan Basri said here yesterday that the organization would officially endorse Suharto during its national conference to be held here starting November 24.

Hasan said the party would issue a political statement urging the public to maintain calm during next March's general session of the MPR. The conference will also address ways to improve the welfare of the country's impoverished population.

Suharto, Entourage Leave for Senegal 19 Nov

BK2011073592 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 20 Nov 92

[Excerpts] President and Madame Suharto are expected to arrive in Dakar, Senegal at about 1545 hours West Indonesian time [0845 GMT] or about 0845 hours local time to attend the G-15 [Group of 15 South Countries] summit. They will be accorded a state welcome by Senegal's President and Madame Elizabeth Diouf. The opening ceremony of the third summit of the G-15 will take place on Saturday 21 November 1992. [passage omitted].

President Suharto and his entourage left Jakarta's Halim Perdanakusumah Airport by a special Garuda Indonesian Airways DJ-10 plane at 2015 hours West Indonesian time [1315 GMT] last night. After flying for nearly 11 hours, the plane made a one-hour stop in Jeddah to refuel. [passage omitted].

ANTARA Reports Arrest of Dili 'Mastermind'

BK2011101492 Jakarta ANTARA in English 0956 GMT 20 Nov 92

[Text] Jakarta, Nov 20 (OANA/ANTARA)—Xanana Gusmao, leader of the Security Disturbing Movement (GPC) in East Timor and mastermind of last year's November 12 incident in Dili was arrested by the military authorities with the help of the people in the provincial capital of Dili at 06.00 hours local time.

The information office of the Indonesian Armed Forces (ABRI) here Tuesday afternoon told ANTARA that at present Xanana was still undergoing intensive interrogations.

East Timor, formerly a Portuguese colony, officially joined Indonesia to become its 27th province through a self-determination process in 1976.

The informatiom office said that Xanana's case would be handled in accordance with the existing laws and regulations.

Authorities said the November 12 incident claimed around 50 lives.

Laos

U.S. Senate MIA/POW Delegation Visits

BK2011053992 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 20 Nov 92

[Text] Yesterday the U.S. Senate delegation led by Senator John Kerry, chairman of the U.S. Senate Select Committee on POW/MIA Affairs, arrived here for a visit to the Lao People's Democratic Republic [LPDR], following a visit to the SRV.

In Vientiane, Senator Kerry and his party met with Deputy Foreign Minister Souban Salitthilat. At the meeting, which proceeded in a good and frank atmosphere, the two sides assessed and reviewed implementation of the cooperation plan in excavating the remains of U.S. soldiers missing during the war in Laos. The two sides agreed that the cooperation plan has been carried out fruitfully.

In particular, current excavation for the remains of U.S. MIA's at Point 1,053, in Savannakhet Province, has been successfully conducted despite the fact that the terrain in the area consists of dense jungles. Thanks to the dedication of Lao and U.S. technicians and the cooperation of local residents, the search for remains of U.S. MIA's there was successful. In addition, the two sides also discussed a plan to visit some areas in Houa Phan Province suspected of having remains of U.S. soldiers. They also consulted each other on the direction of mutual cooperation in 1993.

In the morning at the Foreign Ministry, Phoun Sipaseut, deputy prime minister and minister of foreign affairs, also received a courtesy call from Senator Kerry and his party. During the meeting, Deputy Prime Minister Sipaseut expressed wholehearted appreciation to the U.S. Senate delegation for visiting Laos. During the conversation, Senator Kerry asked the deputy prime minister about various incidents that took place in Xieng Khouang and Houa Phan Provinces during the Vietnam war. The two also discussed many other issues of cooperation between the two countries, especially in searching for the remains of U.S. MIA's. Deputy Prime Minister Phoun Sipaseut reiterated continued efforts to render cooperation to the U.S. side in searching for remains of MIA's. In the meantime, he encouraged the United States to increase its cooperation and assistance to Lao people living in areas affected by the Vietnam War.

The U.S. Senate delegation spent one day visiting the LPDR and left for home on the afternoon of the same day.

LPRP Delegation Visits SRV 3-13 Nov

BK1811121592 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 14 Nov 92

[Text] A delegation of the Commission for Foreign Relations of the Lao People's Revolutionary Party [LPRP] Central Committee and the Ministry of Foreign Affairs of the Lao People's Democratic Republic [LPDR] led by Comrade Thongloun Sisoulit, member of the LPRP Central Committee, deputy head of the commission, and deputy minister of foreign affairs, paid a working visit to Vietnam from 3 to 13 November.

The delegation was cordially received by Comrade Nguyen Duc Binh, Political Bureau member and secretary of the Communist Party of Vietnam [CPV] Central Committee, and Comrade Nguyen Manh Cam, member of the CPV Central Committee and minister of foreign affairs. It also had working sessions with our party Central Committee's International Department and the Ministry of Foreign Affairs.

The two sides informed each other of the situation concerning external relations of the parties and states of the two countries, exchanged views on some international and regional issues of mutual concern, and reached agreement on a number of matters concerning cooperation between the Commission for External Relations of the LPRP Central Committee and the International Department of the CPV Central Committee, as well as between the Ministries of Foreign Affairs of the LPDR and the Socialist Republic of Vietnam.

Cooperation Memoranda Signed With SRV Provinces

BK2011103792 Vientiane KPL in English 0911 GMT 20 Nov 92

[Text] Vientiane, Nov 20 (KPL)—High-level delegations of Laos' Oudomsai Province and Nam Ha Province of the Socialist Republic of Vietnam signed in Oudomsai on November 18 a memorandum on the expansion of cooperation in local economy development and trade.

According to the memorandum, the two sides will build communication roads in Oudomsai, train 5-7 personnel of Oudomsai in Nam Ha each year, exchange goods and cooperate in tourism on the basis of mutual benefit.

The signing of the memorandum took place during the visit to Oudomsai by a high-level delegation of Vietnamese Nam Ha Province headed by Mr. Bui Xuan San, member of the Communist Party of Vietnam Central Committee and secretary of the province's party committee.

A report from northern Luang Namtha Province says that high-level delegations of the province and of Vinh Phu Province of the Socialist Republic of Vietnam have also reached a memorandum [words indistinct], trade [words indistinct], development and some others between the two provinces for the (?1992-92 period).

Government Sets Up New Administrative Districts

In Sianghon-Hongsa Area

BK2011084892 Vientiane PASASON in Lao 14 Nov 92 p 1

[Decree issued by the prime minister on the establishment of two new districts in the Sianghon-Hongsa area—dated 8 November 1992]

[Text] With reference to Article 60 of the Constitution of the Lao People's Democratic Republic [LPDR], Recommendation No. 170/KRK-SH of the committee in charge of the Sianghon-Hongsa area dated 15 September 1992, the special geographical characteristics and administrative difficulties of the said area in the past, and the study conducted and recommendations made by the party Central Committee's Organizational Board, the prime minister has issued the following decree:

Article 1:

1.1 A new district is to be established and called Ngeun in an area which separates from Hongsa District, comprising four cantons with 42 villages and 11,826 inhabitants;

1.2 A new district is to be established and called Khoi on an area which separates from Sianghon District, comprising four cantons with 43 villages and 14,500 inhabitants.

Article 2: The committee in charge of the Sianghon-Hongsa area is instructed to implement this decree in conformity with the special conditions and characteristics of the said districts.

Article 3: The office of the Prime Minister, the party Central Committee's Organizational Board, all ministries and equivalent organizations, all provinces, and all municipalities are hereby instructed to acknowledge and implement this decree.

Article 4: This decree becomes effective on the day it is signed.

[Dated] Vientiane, 8 November 1992
[Signed] Khamtai Siphandon, prime minister of the LPDR.

In Xieng Khouang Province

BK2011085392 Vientiane PASASON in Lao 16 Nov 92 p 1

[Decree issued by the prime minister on the establishment of two new districts in Xieng Khouang Province—dated 8 November 1992]

[Text] With reference to Article 60 of the Constitution of the Lao People's Democratic Republic [LPDR], Recommendation No. 39/Cho Kho of the governor of Xieng Khouang Province dated 15 September 1992, the special geographical characteristics and administrative difficulties of the said area in the past, and the study conducted and recommendations made by the party Central Committee's Organizational Board, the prime minister has issued the following decree:

Article 1:

1.1 A new district is to be established and called Tha Thom in an area which separates from Mok District comprising Ngat, Samche, Mo, Namchat, and Phou Soung cantons with a total area of 2,080 square kilometers having 10,028 inhabitants;

1.2 A new district is to be established and called Phasai in an area which separates from Pek District comprising Siviangsai and Senkang cantons and from Khoun District comprising Khon Boun, Phasai, and Nong On cantons with an approximate area of 14,000 square kilometers and having 14,000 inhabitants.

Article 2: The governor of Xieng Khouang Province is instructed to implement this decree in conformity with the special conditions and characteristics of the said districts.

Article 3: The office of the Prime Minister, the party Central Committee's Organizational Board, all ministries and equivalent organizations, all provinces, and all municipalities are hereby instructed to acknowledge and implement this decree.

Article 4: This decree becomes effective on the day it is signed.

[Dated] Vientiane, 8 November 1992
[Signed] Khamtai Siphandon, prime minister of the LPDR.

Nationwide Pharmaceutical Conference Concludes

BK2011102392 Vientiane KPL in English 0906 GMT 20 Nov 92

[Text] Vientiane, Nov 20 (KPL)—The fourth nationwide conference on pharmaceutical products opened here on Nov 16 by the Ministry of Public Health wound up on Nov 18. The theme of the discussion was "Toward the Establishment of the National Pharmaceutial Policy."

Addressing the closing ceremony, Mr. Khambou Sounisai, minister of public health, congratulted the achievement of the conference (?which) have come about thanks to the active participation of the delegates.

Taking part in the conference were [words indistinct] state and business institutions in the country. Also taking part in the deliberation were foreign experts and [sentences indistinct] side, the Food and Drug Committee of Thailand and some NGOs' [Nongovernmental organizations] representatives in Laos.

The conference unanimously adopted the draft national pharmaceutical policy which included 73 articles.

The articles dealt with (1) the establishment of law and regulations on pharmaceutical products, (2) the setting up of types of (?drugs), (3) the naming of drugs, (4) the registration of drugs and authorization to distribution, (5) the (?prescription) of drugs, (6) the financial sources, (7) the circulation, distribution, and storage of drugs and medical equipment, (8) the required quality of drugs, (9) the appropriate use of drugs on [words indistinct] publicity and information about drugs, (11) international, technical cooperation on drugs, (12) traditional medicines, and (13) monitoring and assessment.

The draft policy is to be submitted to the government for study and adoption.

The conference also appointed the central national commission for matters relating to drugs whose activities and presidency are to be coordinated by the Ministry of Public Health.

Philippines

NUC, Military Rebels May Hold 'Earlier' Talks

HK1911124292 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 19 Nov 92

[Text] National Unification Commission [NUC] chairperson Haydee Yorac today confirmed that former General Jose Maria Zumel [the highest-ranking rightist rebel] was the last rebel leader she met with for the peace initiatives by the Ramos administration. Yorac said the last time she met with Zumel, they even had a drink.

Yorac said she expects the formal peace talks between the rightist rebels and the government representatives will begin earlier than expected. However, she clarified that the negotiation with the rebel soldiers does not involve any demand for surrender and that the RAM-SFP-YOU [Nationalist Revolutionary Alliance-Soldiers of the Filipino People-Young Officers Union] has drawn up its talking points for the peace talks.

NUC Approves 5-Day Christmas Cease-Fire

HK2011091392 Quezon City ABC-DWET Television in English 1300 GMT 19 Nov 92

[From the "ABC-DWET News Program"]

[Text] The government looks forward to five days of relative peace this December.

The National Unification Commission [NUC] approves of a five-day Christmas cease-fire. The NUC proposal is considerably shorter than the 14 days sought by the House of Representatives. The big story from Arlene dela Cruz:

[Begin recording] [Dela Cruz] The National Unification Commission has recommend a five-day unilateral cease-fire this coming Christmas season. This is 48 hours more than the traditional 72-hour cease-fire respected by government troops and New People's Army [NPA] rebels during the yuletide season. The NUC proposes that the unilateral suspension of offensive military operations be observed beginning from 0001 hours [1601 GMT] of 24 December and ending on midnight of 25 December, and for three more days beginning from 0001 hours of 31 December and ending at midnight on 2 January of the coming year. NUC Chairperson Haydee Yorac is optimistic the unilateral cease-fire will contribute to the success of the ongoing peace process. Former NPA chieftain Romy Kintanar said the five-day cease-fire is a less complicated silence of military operations compared to a longer period of unilateral cease-fire. According to Kintanar, the Communist party of the Philippines-NPA, as a matter of revolutionary policy, adheres to a three-day cease-fire at Christmas.

[Kintanar] You know, the revolutionary force and many citizens seek not only five days, but real and lasting peace. [preceding sentence in Tagalog]

[Dela Cruz] For the big news, Arlene dela Cruz, ABC 5.

NPA Said Developing Cordillera as 'Rear Base'

HK1911095792 Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 19 Nov 92

[Text] According to officials from the Armed Forces of the Philippines [AFP], the military considers the Cordillera its biggest headache in the counterinsurgency effort, because the New People's Army [NPA] is developing the region into its rear base. The officials said that the rebels plan to use the Cordillera region as the equivalent of the Yunan rear base, where Mao Zedong launched the communist revolution in China. They said that the region has 2,120 armed NPA regulars who have launched 41 tactical engagements, compared to 30 by the AFP. They have lost 30 members against the 22 AFP casualties.

Brigadier General Romeo Padiernos, from the AFP Civil Relations Service, also said the military has recovered the two last barangays under NPA influence in Davao del Norte. He said that 120 rebels surrendered after a combined combat and civil military operation by the 40th Infantry Battalion led by Lieutenant Colonel Ernesto Baylon. Padiernos said that barangays Bayabos and Mainit in the town of Nabunturan, Davao del Norte, are reputed to be the last barangays held by the NPA under two district commands of Guerrilla Front 2, and the Digfa Dumansa Combat Committee of Guerrila Front 3 of the Southern Mindanao Revolutionary Committee.

Inability To Meet Insurgency Target Admitted

HK1811130392 Quezon City ABC-DWET Television in Tagalog 1000 GMT 18 Nov 92

[From the ABC-DWET Television News program]

[Text] The military admitted today that it will not be able to achieve its target of strategic control over the insurgency problem by the end of the year. Vice Admiral Proceso Fernandez, Armed Forces of the Philippines [AFP] deputy chief of staff, said this during the joint

AFP-PNP [Philippine National Police] Oversight Committee meeting at Camp Crame [PNP headquarters in Quezon City].

According to Fernandez, the progress of the military's Operation Lambat-Bitag [net-trap] has been too slow due to the continued guerrilla operations of the Communist Party of the Philippines New People's Army, especially in rural areas. He said this indicates that the communist mass base remains strong in some strategic provinces.

Meanwhile, PNP officials supported the AFP's call for a new review of the insurgency problem before it is transferred to the PNP's responsibility. Among the insurgency areas that have been transferred to the PNP's control are Mindoro, Laguna, Batangas, Cavite, Leyte, and some provinces in Mindanao.

More Troops To Cover Mindanao Elections

HK2011043992 Manila Far East Broadcasting Company in Tagalog 0100 GMT 20 Nov 92

[Text] Rafael Alunan, secretary of the Department of Interior and Local Government, said the government will send more military troops to Mindanao to anticipate any possible threat to the elections in the Autonomous Region of Muslim Mindanao, which will be held on 19 February 1993. Alunan added that the government and the Commission of Elections will enforce a gun ban in the region starting 22 November in reaction to reports that some politicians' bodyguards are starting to carry firearms.

Vice President Demands Review of Judicial System

HK2011063492 Hong Kong SOUTH CHINA MORNING POST in English 20 Nov 92 p 14

[Report by Michael Bociurkiw in Manila]

[Text] Complaining that not one of the more than 100 people charged in the past three months for kidnap-for-ransom has yet been convicted, the Philippines' chief crime buster yesterday called for an urgent overhaul of the country's criminal justice system.

Vice-President Mr Joseph Estrada said suspects turned in by his powerful Presidential Anti-Crime Commission (PACC) spent months in jail before facing trial—despite the existence of solid evidence against them.

"That's why I am demanding a review of our judicial system," Mr Estrada told the South China Morning Post. "The reason why these criminals are getting bolder is that they know that they can get away with the kind of system that we have."

Mr Estrada conceded that some of the suspects might be released because of the long delays in getting them processed. "That's what I'm afraid of. They might be able to bail out and then they'll just disappear.

"We have air-tight evidence against them."

Speaking earlier to a gathering in Manila of the country's top businessmen, Mr Estrada painted a bleak picture of the current state of the judicial system—saying it protects the rights of suspected criminals more than those of victims.

Senate president Senator Neptali Gonzales told the forum: "Rampant crime has become a way of life in the Philippines."

President Mr Fidel Ramos formed the PACC after a wave of kidnappings hit Manila shortly after he took office in June.

Since then, 108 kidnap-for-ransom suspects had been apprehended or arrested, Mr Estrada said. But even though none had been convicted, the Government felt it could get control of the situation next year.

"Within three to six months we will get things to a manageable level."

Defending the timetable, Mr Estrada said: "It took Italy eight years before police there could neutralise the kidnap-for-ransom gangs."

He said there had been no new kidnapping cases reported in the Metro Manila area in the past month.

Mr Jimmy Tang, executive vice-president of the Federation of Filipino Chinese Chambers of Commerce and Industry, said the group felt the Government was sincere in its efforts to crack down on the kidnap-for-ransom gangs, which have preyed on rich Chinese families in the capital.

"We understand that at present there is support among the judiciary to create a special court for criminals in order to accelerate the sentences of kidnappers," Mr Tang said. "So we feel there is a direction already that they will try to solve this problem in the shortest possible time."

Government Postpones Floating $100 Million Bond

HK2011095392 Manila PHILIPPINE DAILY INQUIRER in English 20 Nov 92 p 17

[Text] After almost two months of indecision, the government has finally decided to postpone the flotation of $100-million worth of Philippine bonds this year and instead has set it for early next year. The flotation was supposed to have been held middle of this month. Finance Secretary Ramon del Rosario said the government has decided for postponement due to the instability of the international market, and the belief that institutional investors have more flexibility to make their investment portfolios at the start of the year instead of at yearend.

The bond flotation marks the Philippine re-entry into the international capital market after more than 10 years of absence, when Manila declared a debt moratorium in October 1983. The three-year bonds, whose yield will still have to be decided, will be listed at the Luxembourg market and will target institutional investors as well as some individual investors.

Del Rosario said underwriters led by JP Morgan and Co. advised that the flotation be held in January instead. Among the earlier reasons cited for the postponement were the uncertainty created by the U.S. presidential elections and the crisis in the European currency markets. However, some economists said that the amount of the flotation is too small to be affected by the above-cited factors.

Meanwhile, the Central Bank reported that the country's foreign debt totalled $29.189 billion as of end-July, slightly less than the end-June figure of $29.381 billion. The decline may be traced to a $213 million decrease in the medium-and long-term loans during the period. In terms of borrowers, the government accounted for the lion's share of the debt at $18.79 billion, or 64.38 percent of the total. Private companies accumulated $6.31 billion 9in foreign debts, or 21.62 percent of the pie. The Central Bank's foreign debt totalled $4.08 billion or 14 percent of the total.

In terms of origin, bilateral sources, or those extended by foreign governments such as Japan and the United States, account for $9.3 billion or 34.03 percent of the total foreign debt stock. Commercial banks and financial institutions account for $9.45 billion or 32.28 percent of the debts. Multilateral sources such as the World Bank and the International Monetary Fund account for $6.827 billion or 23.39 percent of the debts. Loans from other sources totalled $2.978 billion or 10 percent of the total. Not counting the $6.31 billion debts incurred by private corporations, the balance of $22.879 billion means that the 60 million estimated Filipinos owe foreign creditors $381.32 each.

Ramos Approves New Light Rail Transit Line

HK2011080492 Manila MANILA BULLETIN in English 20 Nov 92 pp 1, 24

[Excerpts] President Ramos granted final approval yesterday to the $350-million Epifanio de los Santos Ave. Light Rail Transit (EDSA-LRT) Line 3 to ease traffic congestion and meet Metro Manila's growing transport needs. The President said that the mass transport system will provide services to about 500,000 commuters daily, when completed and made operational.

The LRT-Line 3 will cover a span of 17.8 kilometers from F.B. Harrison St., Pasay City, to North Ave., Quezon City. Malacanang said that the project will be implemented under a build-operate-transfer (BOT) scheme by the EDSA LRT Consortium.

The consortium will immediately deliver possession and operation of the project to the Department of Transportation and Communications (DOTC) by way of lease under a 25-year contract during which the DOTC shall operate the project. Malacanang added that the project, which was approved in principle earlier, was subject to "some refinements" on order of the President. [passage omitted]

The chairman of the Senate finance committee called on Congress yesterday to create a P500-million [Philippine pesos] Mass Transit Authority (MTA) to draw up a faster and cheaper mode of mass transportation system in Metro Manila and other urban centers. In Senate Bill [SB] 908, Sen. [Senator] Edgardo Angara said the deepening transport crisis compels the government to put up a separate agency to draft short and long-term solutions to the country's overcrowded road network.

The seriousness of the situation, notably lack of transport facilities, is evident in the growing number of people lining up the streets for hours waiting for a ride, Angara said. "The plight of these commuters is further aggravated by the ever increasing transport fares. It is of vital importance that cheaper, faster, more viable and convenient transportation alternatives be made available to the commuters," the senator said.

In order to come up with a more efficient transport system, Angara said a separate body should be created to study and formulate not only immediate measures but also long-term solutions to the problems of transportation. Under SB 908, the proposed MTA shall be run by an administrator and five board directors, all of whom are to be appointed by the President. The authority shall have an authorized capital stock of P500 million to be subscribed by the national government and state-run institutions and corporations, Angara said.

Italy Grants $4.7 Million for Energy Projects

HK2011094092 Manila PHILIPPINE DAILY INQUIRER in English 20 Nov 92 p 20

[Text] National Economic and Development Authority (NEDA) Director-General Cielito F. Habito and Italian Ambassador Dorello Ferrari yesterday signed a memorandum of understanding providing for Italian technical assistance to two projects with a combined cost of $4.7 million.

The first project is for the exploration and development of non-traditional sources of energy. The project, costing $2 million, will assess the geothermal potential in Hungdan, Ifugao; Mainit, Sadanga, Mt. [Mount] Province; and, Mainit-Mabini, Batangas.

The other project is the Technical Assistance to the Meralco Foundation Institute (MFI) which is expected to upgrade technician education in the country, Habito said.

It will specifically address the improvement of the MFI to upgrade the quality of technical education and training through the provision of equipment, upgrading of teaching facilities, and the provision of technical services.

Thailand

Effects of Sanctions Against Khmer Rouge Noted

BK2011043392 Bangkok BANGKOK POST in English 20 Nov 92 p 4

[Editorial: "UN Sanctions Will Have a Ripple Effect"]

[Text] The United Nations Security Council is expected to come up with a resolution soon that would impose certain punitive measures on the Khmer Rouge for their persistent non-compliance with the Paris peace agreement. The measures being pondered among the council members include freezing Khmer Rouge assets abroad, an embargo on oil products in Khmer Rouge-controlled areas and an international ban on imports of lumber and gems from those zones. The setting up of checkpoints manned by UNTAC [United Nations Transitional Authority in Cambodia] forces to police the Thai-Cambodian border to enforce the economic sanctions is also being considered by the Security Council.

While the United Nations' genuine intention of bringing about peace in Cambodia is beyond any doubt, it remains to be seen whether economic sunctions are the most pragmatic approach in dealing with the dogmatic Khmer Rouge. The practicality and effectiveness of the measure to bring pressure upon the Khmer Rouge to disarm and to rejoin the peace process is also highly questionable. First of all, the strength of the Khmer Rouge was not drawn from the income earned from gems and lumber, but from other factors namely the people under their control, their well-disciplined troops and their political idealism. Even without outside support, the Khmer Rouge is self-sufficient and can expect to fight on for years to come as they did before against the Lon Nol regime and the Vietnamese with their huge stockpile of arms and food supplies strategically located in Cambodia. Economic sanctions may financially weaken the Khmer Rouge to a certain extent and may deprive them of their income. But the measure is likely to strengthen the resolve of the guerrillas and further drive them into a corner.

Instead of hurting the Khmer Rouge, tens of thousands of Thai people in Chanthaburi and Trat provinces who have been involved directly or indirectly with cross-border trading in gems and lumber are likely to be the principal victims and most hurt if the sanctions are strictly enforced. Concern about the possible impact on Thai citizens from the UN measure has been voiced by both the private and government sectors.

As a respectable member of the international community and one of the 18 signatories of the Paris peace accord, Thailand is both legally and morally obliged to cooperate with the United Nations to implement the peace agreement to bring about peace in Cambodia. The country must also look beyond its borders and short-term interests and demonstrate farsightedness and the willingness to play a more active role in the region. After all, a peaceful Cambodia will be far more beneficial to both Thailand and Cambodia than a war-torn Cambodia with the grim prospect of a renewed influx of refugees and a reemergence of the same old problems to deal with.

The intransigence of the Khmer Rouge in refusing to disarm threatens the whole peace process and could eventually lead to a flare-up in the supposedly-dormant civil war. This cannot be condoned and must be condemned. But UNTAC, too, should be blamed for its failure to effect control and verification of the withdrawal of foreign forces as mandated in the Paris peace accord. UNTAC has also failed to take over the administration of five key ministries and 21 provincial headquarters which are still in the firm control of the Phnom Penh regime. A neutral political atmosphere which will ensure a free and fair election for all factions in the forthcoming May election is yet to be established by UNTAC.

More than a decade after the Khmer Rouge ouster from Phnom Penh, it is apparent that the international community is still obsessed with their brutal excesses and wants them punished. As such, they may expect or demand that Thailand cooperate fully with the United Nations to enforce the Security Council's resolution in order to pressure the Khmer Rouge into complying with the peace accord.

An international backlash may be possible if Thailand refuses to cooperate with the United Nations. But if Thailand cooperates fully as a responsible member, even at the risk of putting tens of thousands of its people out of work and forcing the closure of several businesses, will the international community just look on and simply leave it to the Thai Government to come up with remedial measures? What if the sanctions fail, as they are likely to? What, then, would the next punitive measures be? These are just a few of the questions which await urgent answers.

Problems With Cambodian Logging Deals Discussed

BK1611055892 Bangkok THE SUNDAY POST in English 15 Nov 92 p 23

[By Sombat Raksakun]

[Text] Handsome profits seemed ready for the taking. Lucrative deals with various Cambodian rival factions were so easy.

But a number of Thai logging operators have learnt costly lessons that cutting trees is easier than transporting them back across the border into Thailand.

"My family will become beggars if I fail to bring the logs across the border," said one logging businessman well-known in Thailand but who requested anonymity. The businessman said he "invested" 60 million to 70 million baht to obtain a logging concession. He received his concession on January 16 this year from the Hun Sen faction.

But two days earlier, following increasing pressure from environment groups, the Thai Government issued an order banning the importation of logs from neighbouring countries.

The businessman said he has struggled hard to survive and avoid economic ruin. He has dealt with the Thai Government and even politicians to bring the logs across the border but repeatedly failed.

After fruitless efforts on the Thai side the businessman travelled to Phnom Penh to ask a senior Cambodian government official to issue documents reaffirming his concession is legal and ask the Thai Government to review the concession and allow the logs across the border.

"I don't understand why the Thai Government is frightened of the influence of international environment organisations. Is there anything wrong with buying timber from Cambodia which wants to sell their timber?" he said.

"Or do you just want us to sit idle and allow the Singaporeans and Japanese to come in and take it all."

He said he initiated contacts for his concession with the Hun Sen faction back in 1990. In his dealings with highranking Hun Sen officials, he had rented a Cambodian government helicopter for about US$8,000 a day to fly from Phnom Penh to an area where he wanted to cut trees. His concession area is located opposite the lower Northeast of Thailand.

During 1990 and 1991, while he tried to get the Hun Sen faction to approve the concession, his company asked for permission from the Interior Ministry and provincial governor to open temporary checkpoint to deliver logs along Thai-Cambodian border.

The businessman said that usually the investment for a logging concession in Cambodia comes to about 10 million to 20 million baht but in dealing with high-rank officials in the Phnom Penh, traders have paid out a lot more to the armed factions. The Cambodian factions demand cash.

He said costs skyrocketted when he had to fork out funds to build a road through a massive minefield along the Thai-Cambodian border to facilitate logging. The businessman said his total investment is now 60 million to 70 million baht.

Apart from dealings with Phnom Penh officials, the businessman said his second nightmare was the arrival of the United Nations Transitional Authority in Cambodia (UNTAC) to implement the Paris peace accords. Under pressure from UNTAC, Cambodia's Supreme National Council issued a moratorium on logging effective from this December 31. Cut timber can be sent abroad legally but must come under the supervision of UNTAC.

The Thai Government's ban and the arrival of the rainy season meant the businessman could not bring his logs into Thailand.

"After the concession was approved, the delivery of logs was delayed by rain-damaged roads despite many trees having been felled and ready to move.

"Even if the rainy season passes, my logs cannot be moved across the border because of the Thai Government's ban on log imports. Even if the Thai Government reviews my concession and allows me to import the logs, there's not enough time to move logs before because of the December 31 ban of logging exports," he said.

"My business is already damaged if the moratorium is not lifted. I will have to take out a loan to build a sawmill to produce processed timber in Cambodia territory. I have paid out too much and I must continue the struggle to the end. I must do every means to survive this crisis," he said.

The businessman questions why UNTAC is focussing only on Thai loggers because the Japanese, Singaporeans and Taiwanese are also major brokers.

"Why do we have to stand still and see them take all the wood," he said.

Chat Thai MP Thanit Traiwut says that everyone, even UNTAC, says that Thai loggers are responsible for deforestation in Cambodia. But in fact there are only 10 logging firms operating in that country.

Mr Thanit said logging is in fact a short-term investment.

"We have time to conduct logging only in the dry season from October to April. We can cut about 10,000-20,000 cubic metres per year," he said.

But Mr Thanit said the majority of investors, after completing their logging deals, will transform their operations into other businesses such as restaurant, hotel or service businesses so that they can establish contacts with senior Cambodian officials or ministers.

Mr Thanit, who first started his logging business in Cambodia in 1984, said his company will not be affected by the moratorium in Cambodia because he conducted business only brought logs from Cambodia and sent to others. [paragraph as published]

"I not worried about the logging ban because my business is not directly affected by concessions. If the SNC bans logs exports, I will import sawn timber from Cambodia instead."

Mr Thanit said the moratorium will affect Thai wood use soon and all Thai logging companies—especially those logging in Cambodia. He estimates that more than 100,000 Thais are logging in Cambodian forests.

Mr Thanit said that generally Thai logging firms obtain a five-year concession from various Cambodian factions to fell trees along a 650 kilometre Thai-Cambodian border including Ubon Ratchathani, Sisaket, Surin, Buriram, Prachin Buri, Chanthaburi and Trat. But most only started operations in ay this this year. The firms have only just received permission to deliver logs from Cambodia to Thailand through two temporary checkpoints in Surin, Sisaket, Buri Ram and Prachin Buri provinces.

One timber company manager, who used to run logging operations in Burma, said that apart from landmines logging in Cambodia is easier than logging in Burma. Most forests in Cambodia are on the plains or small hills. The firm he works for has invested more than 10 million baht to compete for a concession in Pailin, controlled by the Khmer Rouge. The firm pays out further expenses to transport the logs through areas controlled by Hun Sen and Son Sann factions. His firm has to transport the logs from Pailin to Banteay Meanchey Province opposite Aranyaprathet province.

Like other traders, he is unable to import logs into Thailand because of the ban even though he has heavily lobbied Thai officials and politicians. The manager said the firm also has a concession in an area controlled by Hun Sen in Kampot province. His company has signed contracts with Taiwanese and Italian firms to sell logs by exporting them from Kompong Som port to Taiwan and Italy.

Thai loggers said that while UNTAC focusses attention on them, they turn a blind eye to loggers from developed countries like Japan, Singapore and Taiwan.

While Thai logging companies face problems along the Thai-Cambodian border, loggers from other countries are speeding up the export from Kompong Som port each day.

"I believe the Japanese are behind the logging ban in Cambodia. Japanese are the biggest log consumer. They run logging business in Cambodia before the Thais but no one talks about it," said the timber firm executive.

The Japanese, the Thai logger claim, use UNTAC's authority to prevent Thai loggers from logging interests in Cambodia, adding that deforestation in Cambodia is carried out by the Japanese and Vietnamese and not Thais.

"Japanese have had saw mills in Kompong Speu for more than seven years and export a considerable amount of sawn timber—pinewood from Kampong Som to Japan.

They entered Cambodia before Thai loggers and have been logging for a long time. A Japanese sawmill about eight km from Phnom Penh is an outstanding example. The Japanese invested 40 million baht to set up the mill in 1988, a Thai logger said.

The ban will not affect the Japanese logging business because it is specifically aimed at log exports only, the trader said.

The ban will be enforced through the 27 UNTAC military checkpoints which have been set up along Thai, Vietnamese and Laotian borders and at two ports.

In the past, the Thai Government has given traders concessions to import wood from Cambodia through 18 border passes in Ubon Ratchathani, Surin, Sisaket, Buri Ram, Prachinburi, Chon Buri and Trat.

Six border passes in Prachin Buri province; Ban Sanlochagnan, Ban Fao Rai and Ban Non Makmun in Ta Phraya district; Ban Namsai and Ban Nikom Thahanphansuk in Aranyaprathet district; and Ban Khoadin in Klongh have been opened to help traders.

Rough Estimates of Cambodian Timber Exports for 1992

Source	Cubic Metres
Exports by central authorities (more than 8 contracts)	More than 320,000*
Illegal Flows to Vietnam	More than 250,000
Illegal Flows to Thailand via Laos	200,000
Dem. Kampuchea exports to Thailand (more than 5 contracts)	200,000
FUNCINPEC exports to Thailand (2 contracts)	128,000
KPNLF exports to Thailand (reportedly includes timber from Son Sann)	50,000
TOTAL	More than 1,148,000

*The export ceiling approved by the Council of Ministers is 400,000 cubic metres.

Trade Talks With Russia, Azerbaijan Reach Impasse

BK2011021592 Bangkok THE NATION in English 20 Nov 92 p A7

[Text] Talks on a proposal to trade Thai agricultural products for oil from Russia and Azerbaijan have fallen through.

Delegates from the Petroleum Authority of Thailand [PTT] and the Commerce Ministry, who returned recently from the talks, have cited administrative complexity and other difficulties as problems barring a countertrade deal.

PTT Chairman Sippanon Ketthat said delegates had to deal with several different agencies of the Commonwealth of Independent States (CIS)—including foreign trade, energy and economic planning—during talks with their Russian and Azerbaijani counterparts.

Sippanon said Thailand was offering rice, animal feed and sugar in exchange for oil.

PTT was also interested in petroleum exploration in Vietnam, where Russia has a stake in several fields, he said.

Although Russia had abundant petroleum reserves, there was a shortage of equipment for exploration and production, he said. PTT was interested in joint investment in some of the projects.

Legal amendments were expected in Russia before the end of this year to allow foreign partnerships in petroleum ventures, he said.

He said Russia was a preferred source for petroleum products for Thailand, which wanted close ties with Moscow.

Arrest of Leading Trader Shocks Stock Market

BK1911140392 Bangkok BANGKOK POST in English 19 Nov 92 p 1

[Excerpts] The Securities Exchange Commission (SEC) yesterday filed criminal charges with the police accusing big-time stock trader Song Watcharasirot and 10 of his business partners of share price manipulations.

The move against the businessman, commonly known as Sia Song (meaning young tycoon Song), sent shockwaves through the Stock Exchange of Thailand [SET] as panic stricken investors rushed to dump their holdings.

The SET Index at one stage plunged more than 50 points in the afternoon round of trading before it rebounded and closed at 23.45 points less than the previous day.

Prime Minister Chuan Likphai urged investors yesterday not to panic, saying the official action taken yesterday was part of the Government's effort to raise the SET to international standards for the sake of the public's future interest.

"This will enhance investor confidence (in the Thai stock market) so that they will not again be led into unlawful practice," said the Prime Minister when asked about the SEC's action. [passage omitted]

Mr Song told the BANGKOK POST in an interview yesterday that he believed in his innocence and would fight the charges lodged by the SEC.

Deputy Police Chief Phong-ammat Amatayakun told reporters the SEC claimed that Mr Song and his 10 associates had violated Sections 243, 246 and 247 of the Securities and Stock Exchange Act and Section 883 of the Criminal Code.

Investigators claimed Mr Song had bought more than 5 percent of the Bangkok Bank of Commerce's [BBC] shares without notifying the SEC, then cross-traded the shares and attempted to take over the bank.

Pol Gen Phong-ammat claimed Mr Song and his associates had bought as many as 118 million BBC shares.

The group had gained 2,125 million baht through the BBC share manipulation, the police general claimed. [passage omitted]

Well-informed SEC and police sources said the SEC decided to move against Mr Song following reports that he might try to leave the country.

The sources said SEC members agreed during their discussion late on Tuesday night to request police protection for Mr Song for fear that the man's life might be in danger in the wake of yesterday's action against him. [passage omitted]

Meanwhile, Interior Minister Chawalit Yongchaiyut denied that Mr Song was among financial supporters of his New Aspiration Party [NAP] when asked about reports of his possible connection with the businessman.

But Gen Chawalit admitted knowing Mr Song personally though they had no special relationship.

"I don't even know what's happening to him," Gen Chawalit said.

NAP spokesman Chaturon Chaisaeng also spoke out in defence of the party.

"Our party has no relation whatsoever with Sia Song. Moreover, our party has a policy against accepting illegally-acquired money," he said.

Deputy Prime Minister Amnuai Wirawan confirmed yesterday the SEC had met on Tuesday night to discuss actions against Song.

Dr Amnuai said the SEC was acting within its legal power when it decided to file charges against Mr Song.

Deputy Prime Minister Bunchu Rotchanasathian said he believed police had sufficient evidence to move against Mr Song.

He said the Government was compelled to act on the case to restore investor confidence in the SET.

NAP Denies Links With Trader

BK2011040392 Bangkok BANGKOK POST in English 20 Nov 92 p 3

[Text] The leaders of the New Aspiration Party [NAP] have denied any connection with Song Watcharasirot, who faces charges of share price manipulation.

The denial follows comments by Muan Chon leader Chaloem Yubamrung that the Opposition will investigate whether the NAP's political activities were funded by income from the stock market.

NAP secretary-general Phisan Munlasatsathon said the NAP has never obtained money from stock investors and has never arranged for its political activities to be funded by stock money.

He said the party's activities are funded by members' contributions.

"I do not know Sia Song and we have nothing to do with stock manipulation," Mr Phisan said.

The NAP oversees police affairs, and the police would not have arrested Sia Song if the party had any business connection with him, he said.

The NAP "is not worried by the Opposition's attempt to drag the party into the controversy," he said.

NAP leader and Interior Minister Gen Chawalit Yongchaiyut said that taking legal action against Song does not present any problems even though the man was acquainted with many personalities in the Government.

The police must have evidence before deciding to act against Song, Gen Chawalit said, while denying any connection with Song.

NAP deputy spokesman Montri Danphaibun said that Gen Chawalit knew Song but that there was "no special relationship" between the two.

Mr Montri denied that senior NAP members were involved in stock manipulation.

"We are part of the political institution. We cannot involve ourselves in financial affairs," he said.

It was a good thing that Gen Chawalit had come out to confirm that he knew Song, he said.

"He's unlike some people who after joining the Cabinet try to deny knowing anything when problems arise," he said.

Pol Capt Chaloem charged yesterday that the Government should not have taken action against Sia Song alone without including two other known stock manipulators, who he said are in the present coalition.

He said the Opposition does not understand why the Government revealed its plan to arrest Song at a press conference.

"This is a major economic crime. There must be something behind it," Pol Capt Chaloem said.

He criticised the Government's decision to inject 15,000 million baht into the stock market.

The Government did not do anything to prevent the stock market problem in the past, he said. It only acted after the Opposition sponsored an urgent motion for the Lower House to investigate the matter.

The Opposition sponsored the motion in the Lower House because it wanted to protect small investors, he said.

Meanwhile, Social Action MP Dusit Sophitcha warned the Government about injecting 15,000 million baht int the market. He compared this with the controversial "April 4" scheme to shore up ailing financial trusts during th Prem Tinsulanon government.

Mr Dusit, who was at the time the main opposition gun on the scheme, said the money may never be recouped and in the end only a few people will be helped. The rest will have lost out.

He said the stock market problem could have drastic consequences for the economy and shake the stability of the Chuan government. He accused the Bank of Thailand of negligence saying no one is supposed to own more than five per cent of a public company, but Sia Song allegedly owned up to 30 per cent of the Bangkok Bank of Commerce's equity.

The coalition MP charged that people in the government may have been in contact with Sia Song to arrange financial support for their parties. This was why no action was taken against him as the Government "is not able to control the mechanism of the financial system".

He said companies trying to get into the SET [Stock Exchange of Thailand] fake their accounts to make them look healthier than they are. He called for the accounts of all 300 companies listed in the market to be audited to give investors confidence.

Chat Thai secretary-general Banhan Sinlapa-acha said the SET knew perfectly well who was responsible for stock manipulation, and action should have been taken a long time ago.

He said share prices were unrealistic with par at 10 baht and selling price after a while reaching 200 baht. The SET should withhold trading of unrealistically priced stocks. It is right for action to be taken against manipulators so as to protect other investors, he said.

Mr Banhan declined to comment on Sia Song's alleged connection to New Aspiration. These are allegations for which evidence must first be found, he commented.

Satellite Agreement Signed With Indonesia

BK2011055292 Bangkok Radio Thailand Network in English 0000 GMT 20 Nov 92

[Text] Thai and Indonesian telecommunications authorities have reached agreement on frequencies to be used by their satellites Thaicom, to be launched this year, and Palapa, already in orbit. General manager of the Chinnawat Sattelite Company Limited, Dr. Nonglak Phinainitisat, says that the Thai delegation to negotiate frequency coordination traveled to Indonesia to meet their Indonesian counterparts and compromise has been reached on the positioning of the satellites and the frequencies used.

Deputy director general of the Post and Telegraph Department, Setthaphon Phosiphithak, headed the Thai delegation comprising satellite engineers from the government and Chinnawat Satellite Company, contracted for the launching and operation of Thai-owned communication satellite Thaicom. The talks aimed at eliminating problems on overlapping coverage and disturbances. Coordination has been made with the Palapa B3 and Palapa B2.

Plans To Exclude Oils From Tariff Cuts Noted

BK1911021492 Bangkok BANGKOK POST in English 19 Nov 92 p 30

[Text] Thailand plans to withdraw palm and coconut oil temporarily from 15 categories earmarked for accelerated tariff cuts at the next meeting of the ASEAN Free Trade Area (AFTA) Council.

The products are deemed "sensitive".

The council will meet in Jakarta early next month to complete the first step towards a free trade area.

The decision to remove the products was made at yesterday's meeting of Thailand's working group, headed by Finance Minister Tharin Nimmanhemin, which is preparing groundwork for the AFTA plan.

According to Deputy Commerce Minister Phaithun Kaeothong, the meeting agreed that Thailand will keep its commitment with ASEAN to speed tariff cuts on the 15 "fast track" sectors to rates of 0-5% within seven to ten years, but Thailand will exclude palm and coconut oil from the vegetable oils sector.

"We can do that because ASEAN members have a right to exclude certain products within those sectors if they are not ready to go ahead with implementation of the plan," Mr Phaithun said.

However, to show "spirit" as a member of ASEAN, Thailand will try to withdraw only a few items from the "fast track" list.

Mr Phaithun said that although Thailand will withdraw some items, this will not harm the unity of ASEAN members. The creation of AFTA will not be delayed.

The six ASEAN member countries last January endorsed the plan to create a free trade area for this region within 15 years.

Although Mr Phaithun insisted that the decision to withdraw palm and coconut oil from the list did not relate to internal politics, there was no denying that since the creation of AFTA in January, a pressure group of southern palm planters, a major political support base for the Democrat Party, tried to pressure the Government to withdraw their products from the list.

He said that in the long run those products must return to the "fast track" list.

The Agriculture and Agricultural Cooperatives Ministry will endorse a reduction of plantation areas by trying to encourage palm oil planters to diversify to other plantations.

At the same time, it is expected that the Government will have to gradually reduce its import tariffs and nontariff barriers on its products.

In a related development, Commerce Permanent Secretary Phatchara Itsarasena, at a seminar entitled "The Consumer Goods Industry in the year 2000", organised by Lever Brothers (Thailand) Co, touched on some obstacles which may harm the progress of the AFTA.

Mr Phatchara said the idea to create a free trade area in ASEAN is normal and such schemes have emerged worldwide. He strongly believes that in future the border lines will no longer separate one country from another.

He said the success of AFTA will depend on many factors, but the most important factor is that all six ASEAN members must have a strong political will and each government must realise the free trade policy.

Mr Phatchara believes the sectorial approach of the "fast track" programme may not work and it should be improved. The concept has never succeeded among all major trade blocks.

He said ASEAN members should also speed up reduction of non-tariff barriers and try to eliminate the "exclusion list" which allows members to withdraw some items from the tariff cut programmes.

Rice Purchase Ordered To Stimulate Local Prices

BK2011044992 Bangkok BANGKOK POST in English 20 Nov 92 p 30

[Text] The Commerce Ministry yesterday ordered the Foreign Trade Department to buy 150,000 tons of 15 percent white rice from millers and exporters in order to stimulate local prices for next year's rice crop.

Commerce Minister Uthai Phimchaichon said the price will be 6,200 baht per ton FOB [free on board] Bangkok.

The purchase will be made in two lots: 100,000 tons will be bought from rice exporters and delivery must be completed in 15 days; the balance will come from rice millers and delivery must be completed in 30 days.

Mr Uthai said rice exporters involved will be allocated buying quotas in three portions: 50,000 tons from their past export records, 25,000 tons from their stocks and 25,000 tons as an incentive for rice exporters who participated in the ministry's past rice price intervention schemes.

The other 50,000 tons will be bought from all interested rice millers.

He is confident that the scheme will help push domestic rice prices and stimulate paddy prices to reach the target level of 4,100 baht per ton for 5 percent paddy.

Meanwhile, Deputy Prime Minister Amnuai Wirawan, who chairs the Rice Policy Committee, said the special requirement on rice exporters and millers to maintain their stocks at existing levels during the delivery period will push them to buy the new crop.

After the Commerce Ministry's announcement the Rice Exporters' Association vice-president said he is pleased with it as the scheme will help create confidence among all related trading circles.

"Paddy prices rose by about 100 baht per ton yesterday when the ministry announced its plan," he said.

The ministry is expected to decide to purchase rice for export to Russia on a government-to-government basis. It is now negotiating with the Russian Government to sell at least 500,000 tons of 15 percent white rice on a two-year credit term.

Deputy Commerce Minister Given Responsibilities

WA1611143592

[Editorial report] On 7 October, SIAM RAT THURAKIT in Thai reports on pages 7 and 8 that Commerce Minister Uthai Phimchaichon has recently placed Deputy Minister Phaithun Kaeothong in charge of the ministry's departments of Business Economics and Export Promotion. As deputy minister of industry in a previous cabinet, Phaithun had been responsible for industry promotion. Phaithun was quoted as saying that the Department of Business Economics is "the brains of the ministry."

Commerce Minister on PFC Status, Copyright Issue

WA1611145092

[Editorial report] The Bangkok daily MATICHON in Thai on 10 October reported on page 20 that Commerce Minister Uthai Phimchaichon had recently said he told United States Ambassador David Lambertson that "Thailand will be unhappy" as long as the United States categorizes it as a priority foreign country (PFC) facing possible retailiation on trade issues. Uthai said that, contrary to Lambertson's assurances that the trend in Washington deliberations was positive for Thailand, the commercial attache in the Thai embassy had reported the opposite. Asked by reporters what Thailand's response would be in the event of a negative American decision, Uthai replied, "What can we do? The United States is a superpower. It has retailiated strongly against other countries over trade issues. We have made it this far because we have had very close ties to them." Deputy Commerce Minister Churin Laksanawisit noted that Thailand would probably not face American pressure to amend its copyright law because "we have already amended our law so that it is consistent with international practice."

Vietnam

PRC Premier Li Peng To Visit 30 Nov-4 Dec

BK2011142192 Hanoi VNA in English 1406 GMT 20 NOV 92

[Text] Hanoi VNA Nov. 20—Chinese Premier Li Peng will pay an official friendship visit to Vietnam from Nov. 30 to Dec. 4 at the invitation of Vietnamese Prime Minister Vo Van Kiet, says a communique of the Foreign Ministry today.

Development of Vietnamese-Thai Relations Viewed

BK2011092292 Hanoi Voice of Vietnam in English 1000 GMT 16 Nov 92

[Text] Thai Crown Prince Maha Wachiralongkon arrived in Hanoi on Sunday [15 November] for an official visit to Vietnam, where he was a given warm welcome and a grand reception.

This is the first visit to Vietnam by a member of the royal family and, at the same, is a new manifestation of development of the Vietnam-Thailand friendship. Upon his arrival, the Thai Prince was received by President Le Duc Anh.

Speaking on this occasion, President Le Duc Anh said: This visit marks a new era of the friendship and cooperation between the two neighboring countries for the happiness and prosperity of the two peoples and for peace, stability, and development of the region.

The President affirmed that, with the traditional relationship at present, the two nations of Vietnam and Thailand have more opportunities to further develop their comprehensive cooperation and their friendly ties.

For his part, the Thai Prince said the Thai people have keenly followed every step of development and progress of the Vietnamese people and hope that the Vietnamese people will certainly achieve more substantial successes in their national reconstruction.

Realities have shown us that economic and technical cooperation between Vietnam and Thailand in recent years have attained (?importamt) achievements. The two-way trade turnover between the two countries increased from 360 million baht to nearly 2 billion baht. From 1988 to 1990, over 100 Thai companies have come to Vietnam to seek opportunities for business. Their bilateral cooperation in trade, economics, science and technology, and tourism with the aim of mutual benefit and equality have been expanding.

Public opinion in Thailand holds that all the contracts signed between Thailand and Vietnam have to boost Thailand's economy while creating conditions for Vietnam to promote its trade with the outside world.

Thai Crown Prince Concludes Visit 20 Nov

BK2011143692 Hanoi VNA in English 1415 GMT 20 NOV 92

[Text] Hanoi VNA Nov. 20—Thai Crown Prince Wachiralongkon left Ho Chi Minh City this afternoon, concluding his official visit to Vietnam from Nov. 15.

Earlier, Chairman of the People's Council Le Khac Binh and Acting Chairman of the People's Committee Truong Tan Sang of Ho Chi Minh City received and feted the crown prince and his entourage.

Prince Wachiralongkon visited the command of the 7th military zone, Xa Loi pagoda, the Saigon port, the Cu Chi system of underground tunnels and the Thanh Le lacquerware company in Song Be province.

German State Governor, Delegation Visit

BK2011141892 Hanoi VNA in English 1408 GMT 20 Nov 92

[Text] Hanoi VNA Nov. 20—A delegation of the state of Baden Wuerttemberg in the Federal Republic of Germany led by Governor Erwin Teufel is visiting Vietnam at the invitation of Minister of Education and Training Tran Hong Quan.

The German guests were received here yesterday by Phan Van Khai, deputy prime minister, who thanked the governor and people of Baden Wuerttemberg for their assistance to Thu Duc Technical College and formulated the best wishes for constant development of the relations between Vietnam and the FRG in general and with Baden Wurttemberg in particular.

The delegation paid a courtesy visit to Foreign Minister Nguyen Manh Cam. It called at the State Committee for Cooperation and Investment, and the Vietnam Chamber of Commerce and Industry.

It also visited the Thu Duc College and some other higher education institutions in Ho Chi Minh City.

South Korea Hosts Trade Exhibition in Hanoi

BK2011143192 Hanoi VNA in English 1404 GMT 20 Nov 92

[Text] Hanoi VNA Nov. 20—An exhibition organized by the Korea Trade Promotion Corporation (Kotra) on products of the Republic of Korea opened here this morning.

Among those present at the inaugural ceremony were Vietnamese Commerce Vice-Minister Nguyen Van Boi, Ambassador Pak No-su, head of the Liaison Office of the Republic of Korea, and Kotra Chairman Chun Su Kim [name as received].

Speaking on the occasion Vice-Minister Nguyen Van Boi and Kotra Chairman Chun Su Kim expressed their hope that the exhibition, the first ever in Hanoi, would help businessmen of the two countries better understand one another, and promote cooperation and trade in the interest of both peoples.

The exhibits cover a very diversified panoply of consumer goods ranging from motor-cars, electric appliances and electronic goods to machinery and building materials, etc.

The exhibition will last until Nov. 24.

Do Muoi Addresses War Veterans Congress

BK2011070592 Hanoi VNA in English 0629 GMT 20 Nov 92

[Text] Hanoi VNA Nov. 20—General Secretary of the Communist Party of Vietnam Do Muoi has called on all Vietnamese war veterans to promote the tradition of the Vietnam People's Army and turn revolutionary heroism in the fight for national independence into heroism in building and defending the socialist fatherland, and defending the party and the revolutionary power.

Speaking at the First National Congress of the Vietnamese War Veterans' Association (VWNA) which opened here yesterday, Do Muoi said :

"The extremely glorious history of the revolutionary struggle and the protracted resistance war of our people in the past more than six decades has added glory to the tradition of heroism and dauntlessness of our people and army to which you war veterans have made distinguished contributions.

Our war veterans have fought and made every sacrifice to the country. Our people are feeling deeply indebted to them and are doing all they can to be worthy of such sacrifices.

For your part, you should strive to become the nucleus of the block of national unity as President Ho has wished, the nucleus to unite all ethnic groups, all social strata, all religions and generations, to unite the people in the country and our compatriots abroad so as create [as received] a great strength of the nation in the discharge of the heavy tasks of the country's revolution.

When they returned to civil life, many of the veterans did not have any professional skill. Therefore, the association should help them to acquire new skills and jobs, stimulate them to take part in economic, cultural and social development and the activities of the administration and social organisation in the localities so as to reintegrate themselves quickly in the communities and the new life. The association should create favourable conditions for its members and all war veterans to develop family-based economy, step by step overcome difficulties in daily life and improve their living conditions".

Congress Speeches Reported

BK2011114992 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Nov 92

[Report by station correspondent Dinh Khai on the opening of the First National Congress of Delegates of the Vietnam War Veterans Association in Hanoi on 19 November—portions recorded]

[Summary] Dear friends, the First National Congress of Delegates of the Vietnam War Veterans Association [VWVA] was held this norming, 19 November, at the Ba Dinh Conference Hall in Hanoi. Attending the congress were 323 delegates representing more than 4 million

Vietnamese war veterans and 700,000 VWVA members of 53 provinces and municipalities throughout the country. "Among the delegates, 10 are women, 38 are former generals, and most of the rest are former colonels, 45 are ethnic minorities, 20 are heroes of the people's armed forces and labor heroes who served the nation during various stages of the war of resistance."

Also attending the opening ceremony were comrades Do Muoi, general secretary of the Communist Party of Vietnam [CPV]; Le Duc Anh, president of the state; Nong Duc Manh, chairman of the National Assembly; many comrade members of the party Central Committee Political Bureau and Secretariat; ministers and representatives of sectors and branches, veteran revolutionaries, commanders of various military regions, representatives of families of wounded soldiers and fallen combatants, leading comrades of mass media agencies, and a large group of newsmen.

"Attending the congress as members of the presidium were Do Muoi, party general secretary; Le Duc Anh, president of the state; Nong Duc Manh, chairman of the National Assembly; Vu Oanh, member of the CPV Central Committee Political Bureau; Truong My Hoa, secretary of the party Central Committee; General Doan Khue, minister of national defense; Gen. Vo Nguyen Giap; Senior Lieutenant General Song Hao, chairman of the VWVA Provisional Executive Committee; Senior Lieutenant Generals Tran Van Tra and Nguyen Don, vice chairmen of the VWVA Provisional Executive Committee; Major General Huynh Dac Hung, secretary general of the VWVA, Maj. Gen. Nguyen Trong Dung, member of the standing committee of the VWVA Provisional Executive Committee; Minister Ha Te Van, chairman of the Hanoi War Veterans Association; Lt. Gen. Nam Long, member of the standing committee of the Ho Chi Minh City War Veterans Association; Lt. Gen. Dang Kinh, chairman of the Haiphong War Veterans Association; Lt. Gen. Le Tu Dong, chairman of the Thua Thien-Hue War Veterans Association; Lt. Gen. Vo Thu, chairman of the Quang Nam-Danang War Veterans Association; Lt. Gen. Nguyen Chanh and Colonel Nguyen Thi Kim, members of the VWVA Provisional Executive Committee; Maj. Gen. Le Trung Khue, chairman of Thanh Hoa War Veterans Association; Maj. Gen. To Ky, member of the VWVA Provisional Executive Committee; Col. Nguyen Van Khen, chairman of Tay Ninh War Veterans Association; and Buddhist Monk Lam Can, member of Tra Vinh War Veterans Association."

After the military band played the national anthem, delegates observed a one-minute silence in tribute to fallen soldiers who sacrificed their lives for the cause of national liberation and unification.

Afterward, Senior Lt Gen Song Hao, chairman of the VWVA Provisional Executive Committee, on behalf of the presidium, delivered an opening speech. He said:

[Begin Song Hao recording] "Dear delegates: On the basis of viewpoints contributed by delegates to the congress and organizations of the VWVA at various echelons, the guidance of the CPV Central Committee Political Bureau and Secretariat, and the spirit of the fifth and sixth plenary conferences of the VWVA Provisional Executive Committee, efforts have been made to perfect various documents and a namelist of candidates for the election to the VWVA Excecutive Committee for submission to this First National Congress of Delegates. These constitute the important base and conditions which will contribute to the success of the congress.

"At this congress, delegates will firmly adhere to the motto: renovation, democracy, and unity. I am convinced that all delegates to this congress will bring all their capability and energy into full play to discuss and adopt reports on the situation, orientations, and tasks of the VWVA for the days ahead, discuss and approve the VWVA statute, and elect the VWVA Executive Committee. These are the important tasks for the congress and I hope that we will triumphantly fulfill all these tasks.

"On behalf of the congress presidium, I declare the opening of the First National Congress of Delegates of the Vietnam War Veterans Association." [applause] [end recording]

"The entire congress rocked with applause when the Army youth delegation entered the conference hall with its military flag. Presenting a bouquet to the congress, the Army youths expressed their will and responsibility toward the cause of national construction and defense. They also expressed their faith in and determination to follow the footsteps of Vietnamese war veterans in the new stage of the revolution."

The congress then echoed with the sounds of a drum roll when students from Nguyen Viet Xuan School—a school in Hanoi for children of fallen combatants—appeared to greet the congress on behalf of all students in the capital.

Next, Lieutenant General Nguyen Don, vice chairman of the Provisional Executive Committee of the Vietnam War Veterans Association, read a report of the committee.

The first part of the report deals with the process of renovation in the Vietnam War Veterans Association at present and the situation of its organizational work and activities during the past two years and more. Regarding the association's activities, the report says:

"Over the past two years and more, the association has encouraged a large number of its members to participate in the party's major political indoctrination drives, while actively conducting propaganda work to encourage people to apply all the policies and laws of the state, thus helping strengthen solidarity among people of all nationalities.

"War vetarans associations at all levels paid special attention to work related to national defense and security. The association coordinated closely with all responsible agencies, local military organs, and mass organizations in performing Army rear-related work; caring for the moral, material, and sentimental life of its members; and carrying out economic work to muster its own funds. It also began to engage in external relations activities. However, the report also points out shortcomings, weaknesses, and difficulties in the association's activities during the past two years and more.

"In the second part of the report, Lieutenant General Nguyen Don expounded the orientations and specific tasks for the Vietnam War Veterans Association between 1992 and 1997." He said:

[Begin Nguyen Don recording] "We must thoroughly understand the seventh party congress resolution and firmly grasp the fundamental viewpoints of the sixth party Central Committee's eighth plenum resolution on renovating mass mobilization work and strengthening relations between the party and people; and other resolutions of the seventh party Central Committee and Political Bureau; the directives of the party Central Committee; the Constitution and state laws; and the regulations.

"We understand clearly the operational guidelines of the Vietnam Fatherland Front to determine directions for consolidation of the association's organizational and operational systems on the basis of making the association firm and strong in every aspect, uniting war veterans of all generations throughout the country.

"We must illustrate the tradition of Uncle Ho's soldiers and coordinate closely with all mass organizations in contributing views to the party and administration; encourage people to successfully apply party lines and policies and state laws; constantly build up the all-people solidarity bloc; struggle to safeguard the party, the revolutionary gains, the country, and socialism; and oppose corruption and negative phenomena in political, cultural, and social activities.

"We must pay attention to the moral, material, and sentimental life and legitimate interests of members of the association; participate in educating the younger generations about our people's revolutionary and heroic traditions, patriotism, and laboring spirit; and make contributions to consolidating and developing the all-people national defense system.

"We must also apply all policies concerning Army rear service, war invalids, and fallen combatants; participate in maintaining political security and social order and safety in all localities; and expand friendly relations with individual war veterans or war veterans organizations of other countries to struggle for peace, independence, and development.

"At present, when the struggle between revolutionary and counterrevolutionary forces is taking place in a fierce manner and requires that all revolutionary fighters know the value of making sacrifices for the sake of national independence and freedom, each of our war veterans must resolutely apply the party's policy of renovation and safeguard the party and revolutionary gains to contribute to building and defending the socialist Vietnamese fatherland.

"The first national congress of delegates of the Vietnam War Veterans Association calls on its members and war veterans throughout the country to develop the tradition of Uncle Ho's soldiers in order to resolutely and successfully carry out all the tasks laid down by the congress.

"Let the Vietnam War Veterans Association always remain worthy of being an organization of Uncle Ho's soldiers and a reliable force of the party and state." [applause] [end recording]

Afterward, the congress was elated to hear an important speech delivered by General Secretary Do Muoi.

"In his speech, the general secretary, on behalf of the party and state, noted contributions made by the VWVA and Vietnamese war veterans in various stages of the national revolution. He asserted that the VWVA is the people's organization and a member of the Vietnam Fatherland Front.

"After reviewing the situation and tasks of the nation at present, General Secretary Do Muoi said:

[Begin Do Muoi recording] "Dear comrades, the VWVA must strive to build itself into a large and strong people's organization. Its duties are to educate and mobilize memberships and all war veterans and their families as well as all public strata to strive to triumphantly implement various resolutions of the party, seriously abide by the state law, maintain social order and discipline, and satisfactorily fulfill socioeconomic, security, and national defense tasks. Various VWVA organizations at the grass-roots level must firmly grasp the political activities in localities, coordinate with other mass organizations to strengthen and build localities firm and strong in all aspects, and continue to contribute efforts to the struggle against negativism and social unjustice. Moreover, they must resolutely oppose the enemy's scheme of multifaceted sabotage, contribute to stabilizing the political situation, and ensure social order and safety in localities.

"The scale of organization and activities of the VWVA will be increasingly expanded. As a result, it is required that the association be a highly qualified organization able to develop its role in promoting relations with other mass organizations, echelons, and sectors, while satisfactorily carrying out activities at home and step by step expanding international cooperation.

"The VWVA must strengthen its positive role in coordinating with localities to educate and train members of the Ho Chi Minh Communist Youth Union and other related organizations, organize training courses for youths and teenagers to help them absorb and develop our nation's glorious tradition, encourage the youths to appreciate the revolutionary achievements, and make them proud of the nation's glorious history, thereby promoting the youths' confidence in the revolutionary ideal.

"The VWVA must pay attention to guiding war veterans to consistently enhance their ideological background and concept, firmly grasp the party lines and policies, abide by the state law, and study the state's new policies to effectively contribute to implementing the renovation undertaking. [applause] [end recording]

"Afterward, the congress heard speeches delivered by General Vo Nguyen Giap; General Doan Khue, minister of national defense; and Comrade Pham The Duyet, member of the CPV Central Committee Political Bureau and secretary of the Hanoi Municipal Party Committee.

"Dear friends, also at this morning session, the congress heard congratulatory messages from Comrade Nguyen Van Linh, adviser to the party Central Committee; Hoang Quoc Viet, honorary chairman of the Confederation of Vietnamese Workers; Vo Van Kiet, prime minister; and Nguyen Huu Tho, chairman of the Vietnam Fatherland Front, who, due to poor health, could not attend the session."

In the afternoon, delegates to the congress continued their discussions at the conference hall. Many of them pointed out contributions to society made by the VWVA over the years, while others proposed measures to improve the association's activities to make it a reliable organization of the party and people. Delegates also discussed measures to continue developing the quality of Uncle Ho's soldiers to set a good example for the younger generation so as to contribute to building the nation in accordance with the spirit of the renovation undertaking.

"Tomorrow, 20 November, the First National Congress of Delegates of the Vietnam War Veterans Association will continue its work at the Ba Dinh Conference Hall in Hanoi."

Do Muoi Attends Hanoi School's Anniversary

BK1811144992 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 Nov 92

[Text] On 15 November, the Hanoi's Trung Vuong General School—the former Dong Khanh School—held a solemn ceremony to mark its 75th founding anniversary. Attending the function were Comrade Do Muoi, general secretary of the Communist Party of Vietnam [CPV]; Comrade Truong My Hoa, member of the CPV Central Committee Secretariat and chairman of the Vietnam Women's Union; Tran Hong Quan, member of the party Central Committee and minister of education and training; and many representatives of sectors and branches at the central level and in Hanoi.

Many generations of teachers and students of the school were also present at the ceremony. After listening to the school director's brief report on achievements of the school and its outstanding students who have contributed to maintaining the school's glorious tradition during the past period, Comrade Do Muoi delivered a speech highly commending the school for its efforts in overcoming numerous difficulties to improve learning and teaching. He highly appraised contributions made by generations of the school's students to the cause of national defense and construction during the past years.

General Secretary Do Muoi urged teachers and students of Trung Vuong School to develop their school's glorious tradition, strive to overcome difficulties to improve teaching and learning, and contribute more efforts to improving the education sector.

On the occasion of the Vietnam Teacher's Day, 20 November, the General Secretary conveys his greetings and best wishes to teachers of the Trung Vuong School as well as to all teachers throughout the country.

Nguyen Khanh Addresses Teachers' Day Meeting

BK1911071792 Hanoi VNA in English 0645 GMT 19 NOV 92

[Text] Hanoi VNA Nov. 19—A meeting was held here yesterday by the Ministry of Education and Training to mark the 10th anniversary of Vietnam Teachers' Day (November 20) and to confer the titles of 'People's Teacher' and 'Emeritus Teacher' on 394 teachers.

Among those present were Nguyen Khanh, Vice Prime Minister Tran Hong Quan, Minister of Education and Training and Cu Thi Hau, vice president of the Confederation of Vietnamese Workers.

Addressing the meeting, Vice Premier Nguyen Khanh said that the party and state always respect teachers because they are the decisive factor of education quality. He admitted that the government has not done enough to develop education, train teachers, and care for their cultural and material life. The government recently held a special session devoted to education, and a plan will be submitted to the coming session of the Party Central Committee to solve urgent relevant questions, he said.

State Finance, Monetary Council Established

BK1911005292 Hanoi VNA in English 0648 GMT 18 Nov 92

[Text] Hanoi VNA Nov. 18—Premier Vo Van Kiet on Nov. 11 decided to set up the State Finance and Monetary Council and appoint Vice Premier Phan Van Khai the council's chairman, Minister Phan Van Tiwm and Mr. Hoang Quy, vice chairmen, and Mr. Nguyen Thieu secretary general of the council.

Membership of the council includes the minister of trade, the governor of the State Bank, the head of the government office, the vice chairman of the State Planning Commission, the vice minister of trade, the head of the Government Pricing Commission and the general director of the General Department of Statistics.

The council will assist the prime minister in the designing, examination and implementaion of the state's financial, monetary and pricing policies. In the immediate future, the council will help in the guidance of the fight against inflation, in re-establishing finance and monetary order and step by step developing [as received] the capital market to meet the demands of the multi- sector commodity economy and the open economic mechanism.

Vietsovpetro Surpasses Crude Extraction Targets

BK1911150992 Hanoi VNA in English 1356 GMT 19 Nov 92

[Text] Hanoi VNA Nov. 19—By Nov. 16, the Vietnamese-Soviet Oil and Gas Joint Enterprise (Vietsovpetro) had tapped 4.8 million tonnes of crude oil, fulfilling the 1992 plan 45 days ahead of schedule.

The enterprise plans to tap 0.6 million more tonnes of crude, bringing to 5.4 million tonnes the total of its output for 1992.

Australia

Energy, Resources Conference Held With Vietnam

BK1811065392 Hanoi VNA in English 0628 GMT 18 Nov 92

[Text] Hanoi VNA November 18 [dateline as received]—A conference on energy and resources of Vietnam and Australia was held in Sydney on Nov. 13.

The conference, sponsored by the Ministry of Resources and Energy and the Ministry of Foreign Affairs and Trade of Australia, the Australia-Vietnam Business Council, the Australian International Development Assistance Bureau, and concerned offices and companies, was attended by, on the Australian side, Australian Minister of Resources and Energy Alan Griffiths and representatives of concerned offices, BHP Petroleum, BMCH (expansion unknown] and Sydney Electricity, and on the Vietnamese side, Nguyen Duc Phan and Pham Quoc Tuong, respectively vice-ministers of energy and heavy industry, and other senior officials.

Speaking at the conference, Vice-Minister Nguyen Duc Phan introduced Vietnam's potentials in energy, oil and gas and mineral resources and its orientation for future development and immediate requirements.

For his part, Australian Minister Griffiths mentioned various fields of activity in which his country can cooperate with and assist Vietnam such as technological transfer, personnel training and legislation on mineral exploitation, environmental protection and restoration.

Senator John Button, minister of industry, technology and commerce, visited and talked to the participants.

Fiji

'Racially Biased' Constitution To Be Reviewed

BK2011025892 Hong Kong AFP in English 0227 GMT 20 NOV 92

[By Yashwant Gaunder]

[Text] Suva, Nov 20 (AFP)—The Fijian government will appoint a committee next year to review the South Pacific nation's racially biased constitution, Prime Minister Sitiveni Rabuka said Friday, but he indicated that change is unlikely.

The committee will complete its work within the seven-year period stipulated for review in the 1990 Constitution, Rabuka told parliament here.

The 1990 constitution guarantees a parliamentary majority and executive power to indigenous Fijians, who make up about 48 percent of the population of 720,000.

Rabuka said a constitutional solution was needed to balance the basic rights and freedoms of individuals and the "need to fully provide for and protect the interests and aspirations" of indigenous Fijians and Rotumans, whom he described as "the host communities in Fiji."

Fiji and the semi-autonomous island of Rotuma were ceded to Britain in the 19th century, when British colonialists brought Indians to the islands as indentured labourers to work sugar cane plantations.

Most of Fiji's Indians are descended from those labourers.

In May 1987, Rabuka, then a lieutenant-colonel, led a coup against the Indian-dominated government of Timoci Bavadra, an act ostensibly inspired by fears that the rights of indigenous Fijians were under threat.

A military-backed civilian government ruled Fiji until general elections in May this year, which saw Rabuka elected prime minister with the support of one of the two major Indian parties after promising the Fiji Labour Party [FLP] a review of the new constitution.

The constitution skews parliament in favour of the Fijians, giving them 37 seats in the 70-seat assembly, with Indians holding 27 seats, non-Fijians five and Rotumans one.

Under the constitution promulgated in 1970 at independence from Britain and abrogated by Rabuka in October 1987 when he declared Fiji a republic, Fijians and Indians each held 22 seats.

Rabuka told parliament the 1990 Constitution would form the basis of any future document because "we have to look to the future," commenting that the fate of the country depended "on our efforts in this review."

"The government believes that the most realistic and practical approach towards consensus-building is not to begin this review in an environment that opens old wounds," he said.

Rabuka stressed the need "to listen to each other, and show goodwill, patience and tolerance."

He said the critical first step for the government was to approach the Great Council of Chiefs, which represents the traditionally chiefly system of authority in the Fijian islands, to secure its support for a review.

Without the chiefs, the constitutional committee's final report would carry little weight.

"If we are to move forward with the review, it is absolutely necessary that the government should first secure the full support and understanding of the Fijian and Rotuman communities through the Great Council of Chiefs," Rabuka said.

"This consultation procedure requires time and patience and understanding, but is crucially important to the overall success of the review and if we are to accommodate the interests of all communities," he said.

Rabuka said he would continue dialogue with FLP leader Mahendra Chaudry and National Federation Party [NFP] leader Jai Ram Reddy.

The NFP, which shares the Indian seats in parliament with the FLP, recently walked out of the assembly in protest against Rabuka's failure to announce the constitutional review during the September parliamentary session.

Chaudhry has been unhappy with Rabuka's lack of action on the issue and has been under pressure from FLP supporters over the wisdom of his supporting the former coup leader.